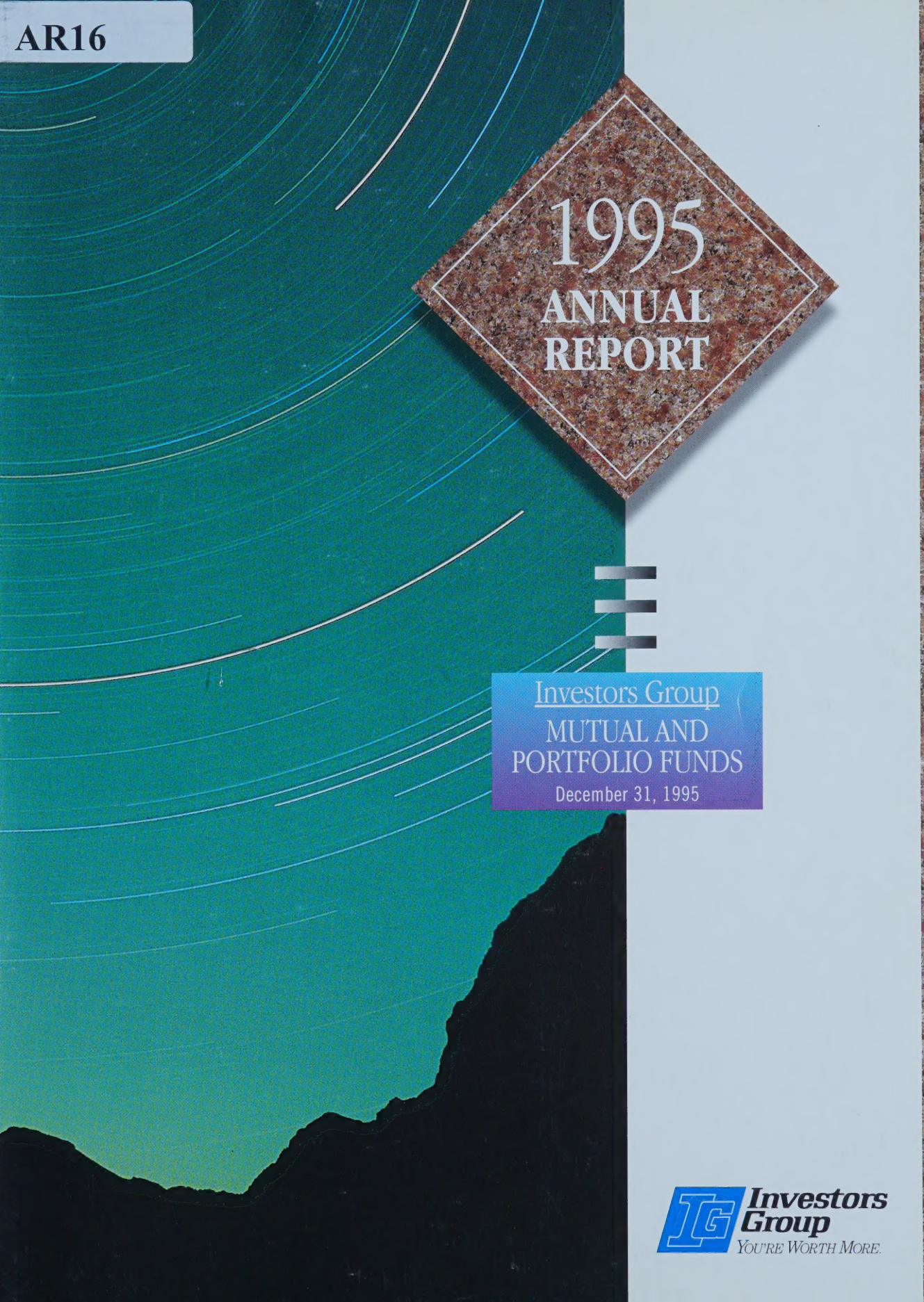
AR16



1995 ANNUAL REPORT

Investors Group

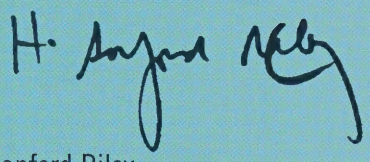
MUTUAL AND PORTFOLIO FUNDS

December 31, 1995

Investors Group

You're Worth More.

"Our clients invest more than money with us – they invest their hopes and dreams for the future."



H. Sanford Riley
President and Chief Executive Officer

Table of Contents

Economic Outlook 2
Investors Group Variability Pyramid 3

MONEY MARKET & INCOME FUNDS

Investors Money Market Fund . . . . . 4 - 5
Investors Mortgage Fund . . . . . 6 - 8
Investors Real Property Fund . . . . . 9 - 14
Investors Government Bond Fund . . . . . 15 - 16
Investors Corporate Bond Fund . . . . . 17 - 18
Investors Dividend Fund . . . . . 19 - 21
Investors Global Bond Fund . . . . . 22 - 23
Financial Statements . . . . . 24 - 29

NORTH AMERICAN EQUITY & BALANCED FUNDS

Investors Mutual of Canada . . . . . 30 - 32
Investors Summa Fund . . . . . 33 - 34
Investors North American Growth Fund . . . . . 35 - 37
Investors U.S. Growth Fund . . . . . 38 - 39
Investors Retirement Mutual Fund . . . . . 40 - 42
Investors Canadian Equity Fund . . . . . 43 - 45
Investors Special Fund . . . . . 46 - 47
Financial Statements . . . . . 48 - 53

GLOBAL EQUITY & SPECIALTY FUNDS

Investors Global Fund . . . . . 54 - 57
Investors European Growth Fund . . . . . 58 - 59
Investors Pacific International Fund . . . . . 60 - 62
Investors Japanese Growth Fund . . . . . 63 - 64
Investors Asset Allocation Fund . . . . . 65 - 67
Financial Statements . . . . . 68 - 73

PORTFOLIO FUNDS

What is a Portfolio? 74
Investors Income Portfolio 75
Investors Income Plus Portfolio 76
Investors Retirement Plus Portfolio 77
Investors Growth Plus Portfolio 78
Investors Retirement Growth Portfolio 79
Investors Growth Portfolio 80
Investors World Growth Portfolio 81
Financial Statements . . . . . 82 - 87

Notes to Financial Statements . . . . . 88 - 103
Auditors' Report to the Unitholders 104

Cover Photo: *"Star trails"*, Ian Ward

Economic Outlook

What lies ahead in 1996? Our fund managers believe that the North American economy will continue along its current path of moderate growth. Industry consensus suggests the Canadian economy may grow by 2.1% this year, while the U.S. economy could post a 2.7% gain.

This moderate growth should foster a favourable environment for both bond and equity markets. However, recent signs of economic downturn in the U.S. raise concerns that growth may not be as robust as the consensus suggests.

Interest rates

The downturn is largely the result of the U.S. Federal Reserve Board (the Fed) raising interest rates in late 1994 and early 1995, and a substantial increase in the U.S. consumer debt load.

While recent declines in U.S. and Canadian interest rates have stimulated the economy, monetary policy remains somewhat restrictive. The U.S. federal funds rate is still above what is considered neutral, and it is considerably higher than the lows of 1993.

Weak economic performance in the U.S. during the first half of 1996 should result in the Fed lowering rates further. However, the effects may not be seen until early 1997.

Although the Bank of Canada aggressively lowered rates in the early part of 1996, further unilateral declines are unlikely. The gap between Canadian and U.S. short-term rates is now narrow, and further tightening could have an adverse impact on our dollar. We expect the Canadian dollar to stay in a range between 71 cents and 74 cents U.S.

The annualized inflation rate will likely remain within the target range of 1% to 3% in the coming months.

Looking ahead

The economy should provide solid fundamentals for the bond market in 1996. We estimate total returns for the year will be between 6% and 8%. A short-term correction in bond markets is the most obvious risk. Last year's total return for North American bonds was the third-highest in history, which has raised concerns that some segments of the market are overvalued, particularly shorter maturities.

A slow-growth economy, low inflation, favourable interest rates and strong capital flows combined to push North American stock market indices to record heights last year. These conditions remain in place, and this bodes well for share prices.

Over the near term, stocks should trade within a narrow range as investors digest recent price advances and slowing corporate profit growth. However, markets should respond favourably to further interest rate declines.

Corporate earnings remain a critical variable. When problems emerge in this area, stocks tend to react sharply. We expect the weaker economy to result in slower earnings growth during 1996, although this should be offset somewhat by lower interest rates.

We expect the Toronto Stock Exchange 300 composite index to outperform the Standard & Poor's 500 index during 1996, as the extended economic cycle produces positive results for Canadian resources companies. This is already evident in the performance of Canadian markets toward the end of 1995 and the beginning of this year. Lower interest rates and rising commodity prices have benefited the cyclical resource sector.

Increasing capital flows from Registered Retirement Savings Plan contributions and a resurgence of interest by foreign investors in North American markets should also prove positive for Canadian equities.

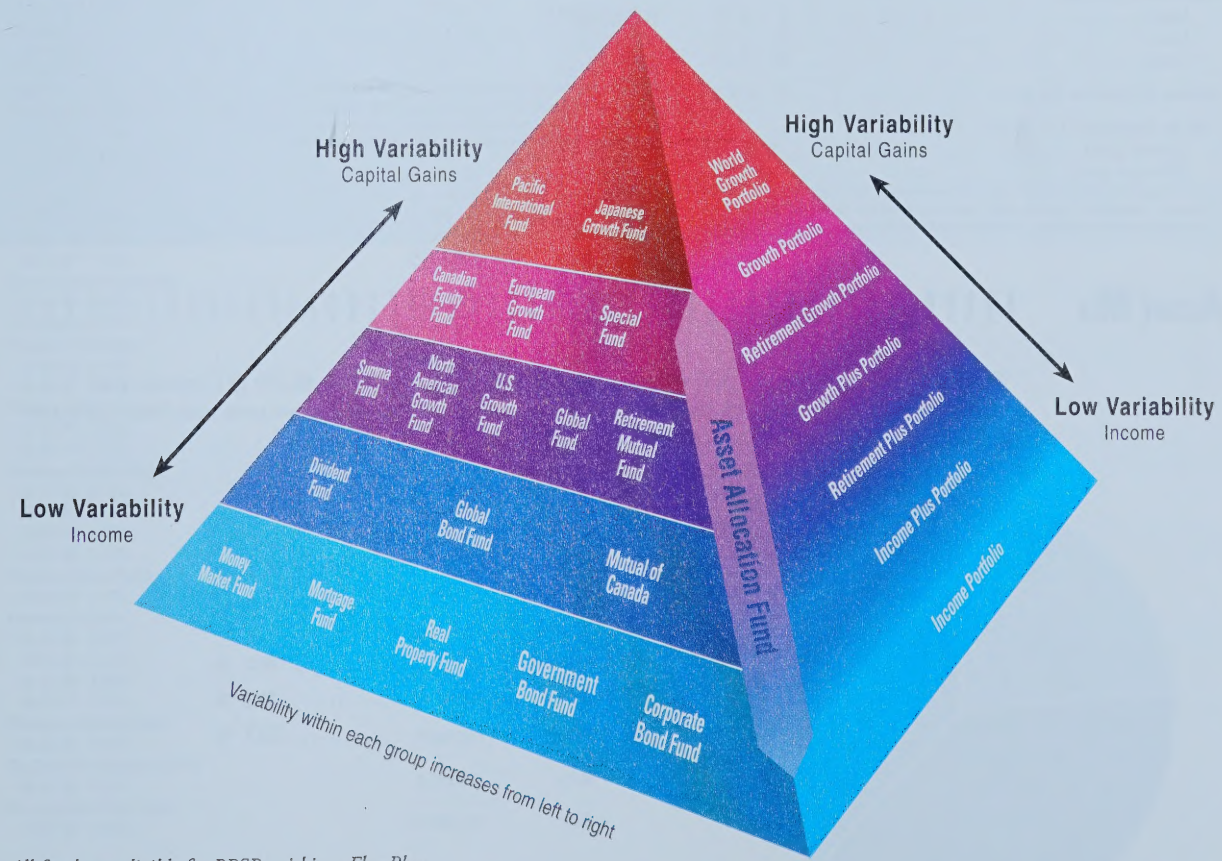
Investors Group Variability Pyramid

Understanding the degree to which the return on investments fluctuates is an important component in realizing your financial goals. Your tolerance for variability in fund returns is a factor in selecting the correct mix of funds for you.

The Variability Pyramid illustrates the variability of Investor Group Mutual Funds and Portfolio Funds relative to one another. Referencing the Pyramid, the variability increases as you move from the base to the top of the Pyramid and as you move horizontally from left to right within each fund grouping. This concept applies to both the Mutual Funds and Portfolio Funds contained in the Pyramid.

The Investors Group Funds are grouped into three basic types: fixed income funds, balanced funds, and equity funds.

The fixed income funds carry the lowest variability and so are placed at the base of the Variability Pyramid. Moving up the Pyramid in variability are the balanced funds. At the top of the Variability Pyramid are the equity funds, both domestic and international, which are higher in variability.



All funds are eligible for RRSPs within a Flex Plan (subject to the 20% foreign content limit).

Investors Money Market Fund

100% RRSP eligible

Alan Brownridge
Senior Vice-President,
Bonds

Investors Money Market Fund has been managed since its inception in 1985 by Alan Brownridge, Investors Group Senior Vice-President, Bonds. Alan is a Certified General Accountant and Chartered Financial Analyst who joined Investors Group after working in the Government of Manitoba's Treasury Division.

Investors Money Market Fund offers investors stable interest income, safety of capital, and liquidity. The Fund invests in high-quality, short-term money market securities such as federal and provincial Treasury bills, and corporate paper issued by some of Canada's strongest corporations.

Performance

Early in the year the Fund extended the term to maturity of its portfolio. This was done to take advantage of higher yields provided by longer-dated money market investments after short-term interest rates increased dramatically in late 1994. When rates began dropping over the second quarter, the Fund was still able to lock in attractive yields by adding to existing Treasury bill positions that matured in six months time. Later in the year, the Fund maintained a cautious approach in the face of political uncertainty in Quebec by keeping a significant portion of its portfolio in short-term instruments.

Outlook

The continued weakness of the Canadian and U.S. economies is likely to result in further interest rate declines in 1996. Consequently, rates for short-term notes will continue to decline, resulting in reduced returns for the Fund. New cash coming into the Fund and from maturing securities will primarily be invested in terms of 90 days.

Financial Highlights*

Total net assets	$ 539,306,275
Number of Unitholders	45,728
Asset value per unit:	
High	$ 1.00
Low	$ 1.00
Close	$ 1.00
Income distributed per unit	$ 0.059
† As at December 31, 1995:	
Current yield	4.75 %
Effective yield	4.86 %

† These are annualized historical yields which are based on the 7 day period ended December 31, 1995. The effective yield has been calculated by compounding the 7 day return.

Performance Highlights*

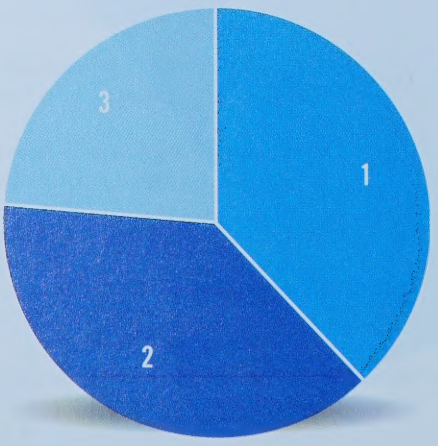
1 yr	3 yr	5 yr	10 yr
6.11 %	4.95 %	5.86 %	7.77 %
Inflation**			
1.7 %	1.2 %	1.9 %	3.2 %

* Returns are compound rates of return and do not include acquisition or redemption fees but are net of management fees and include reinvestment of all income. These illustrations are intended to show the historical growth pattern of the Fund, and offer no indication of what its future performance will be.

** As measured by the Consumer Price Index, December 31, 1995.

Asset Mix

With 40.0% of assets invested in Government Guaranteed Short-term notes, 36.3% of Corporate and Municipal Short-term notes, 23.7% invested in Provincial and Guaranteed Short-term notes, you will invest your money in high-quality, short-term money market securities.



1 Government	40.0 %
2 Corporate	36.3 %
3 Provincial	23.7 %

Investors Money Market Fund

Statement of Investments

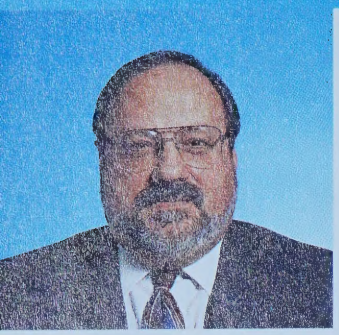
as at December 31, 1995

	Par Value	(in thousands) Market Value (note 2(c))
Investment Rated Money Market Securities		
ABN Amro Bank of Canada		
02-09-96 6.00%	$ 15,000,000	$ 14,777
Bank of Montreal		
01-02-96 6.26%	10,000,000	9,846
01-31-96 6.01%	6,000,000	5,916
01-31-96 6.04%	5,000,000	4,927
Bank of Nova Scotia		
02-29-96 5.80%	10,000,000	9,853
03-01-96 5.87%	10,000,000	9,854
03-07-96 6.07%	10,000,000	9,859
Chevron Hibernia Limited		
02-28-96 5.77%	9,800,000	9,658
Consumers' Gas Company Limited		
01-02-96 6.44%	4,000,000	3,942
01-17-96 6.44%	15,000,000	14,763
Deutsche Bank of Canada		
02-07-96 6.00%	5,000,000	4,927
02-21-96 6.86%	5,000,000	4,835
Ford Credit of Canada Limited		
01-04-96 6.34%	5,000,000	4,921
02-02-96 6.04%	10,000,000	9,852
02-05-96 6.04%	15,000,000	14,777
General Motors Acceptance Corporation		
01-11-96 6.505%	5,000,000	4,919
Government of Canada		
01-02-96 5.88%	23,700,000	23,700
01-04-96 6.52%	5,000,000	4,843
01-04-96 6.56%	5,000,000	4,842
01-18-96 6.90%	20,000,000	19,335
02-08-96 6.84%	30,000,000	29,019
02-08-96 6.88%	10,000,000	9,677
02-29-96 6.38%	10,000,000	9,748
03-14-96 7.00%	20,000,000	19,330
03-21-96 6.80%	15,000,000	14,511
03-21-96 6.86%	7,000,000	6,769
03-21-96 6.91%	10,000,000	9,667
03-21-96 6.92%	15,000,000	14,500
04-18-96 7.01%	10,000,000	9,675
04-25-96 7.01%	5,000,000	4,831
04-25-96 7.16%	25,000,000	24,138
Honda Canada Finance Inc.		
02-05-96 6.00%	4,000,000	3,943
02-05-96 6.07%	10,000,000	9,853
Province of Manitoba		
01-10-96 6.43%	10,000,000	9,842
03-06-96 6.05%	10,000,000	9,863
Province of New Brunswick		
02-05-96 6.00%	10,000,000	9,848
02-06-96 5.99%	10,000,000	9,856
Province of Newfoundland		
01-11-96 6.51%	15,000,000	14,760
02-01-96 6.05%	8,000,000	7,886
03-20-96 7.02%	4,000,000	3,870
03-20-96 7.10%	8,000,000	7,726
Province of Nova Scotia		
02-02-96 6.10%	7,600,000	7,486
Province of Ontario		
01-10-96 6.40%	10,000,000	9,855
01-10-96 6.43%	10,000,000	9,842
02-21-96 5.80%	10,000,000	9,865
03-28-96 6.49%	10,000,000	9,695
Province of Saskatchewan		
03-07-96 6.99%	7,000,000	6,781
The Seagram Company Limited		
03-21-96 5.95%	10,000,000	9,844
The Canadian Wheat Board		
01-12-96 6.41%	10,000,000	9,851
The Royal Bank of Canada		
02-01-96 6.04%	$ 10,000,000	$ 9,853
03-11-96 6.07%	10,000,000	9,853
The Toronto Dominion Bank		
01-19-96 6.41%	14,000,000	13,775
Total Money Market Securities		$ 536,358
Net Assets:		
Total investments		$ 536,358
Cash and other net assets		2,948
		$ 539,306

See accompanying notes to financial statements.

Investors Mortgage Fund

100% RRSP eligible



Rick A. Fourneaux
Portfolio Manager,

Investors Mortgage Fund is managed by Rick Fourneaux. Rick joined Investors Group in 1967 and held the position of Manager, Mortgage Accounting, as well as positions in the Mortgage Underwriting Department, before assuming his current role. He is a Certified Management Accountant and an Accredited Appraiser with the Appraisal Institute of Canada.

Investors Mortgage Fund provides investors with a consistent level of current income and security. It invests in high-quality first mortgages on Canadian residential and commercial real estate, as well as mortgage-backed securities and bonds. Historically, prime residential mortgages have paid roughly half a percentage point more than Guaranteed Investment Certificates of comparable terms.

Performance

Mortgage rates began declining in late 1994, which has had a positive impact on the Fund's unit values. Existing mortgage holdings generally rise in value when rates fall, a trend which led to improved Fund performance throughout the past 12 months.

In recognition of the improved mortgage market, the Fund increased the mortgage portion of its portfolio during the period, while reducing bond content. The average term to maturity of the Fund's mortgage portfolio was adjusted throughout the year, starting at approximately 34 months and ending at 28.6 months. By the end of 1995, the Fund was fully invested in mortgages.

Outlook

Mortgage rates are likely to decrease marginally early in 1996 before levelling out. Slow economic growth will keep a lid on new housing sales. Resales and refinancing should increase though as consumers purchase lower-priced existing homes or renovate. The Fund expects to remain fully invested. It will also purchase a larger percentage of longer term mortgages to lengthen the average term of the portfolio.

Financial Highlights*

Total net assets	$ 3,030,982,025
Number of Unitholders	149,415
Asset value per unit:	
High	$ 5.05
Low	$ 4.77
Close	$ 5.03
Income distributed per unit	$ 0.314
Income distributed	$ 188,521,162

Performance Highlights*

1 yr	3 yr	5 yr	10 yr
11.44 %	6.62 %	7.92 %	8.67 %
Inflation**			
1.7 %	1.2 %	1.9 %	3.2 %

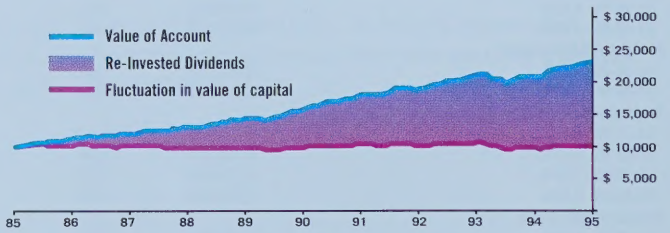
* Returns are compound rates of return and do not include acquisition or redemption fees but are net of management fees and include reinvestment of all income. Effective October 1, 1994, the Fund's management fee was reduced by .10% to 1.65%, which increased the Fund's performance. Also on October 1, 1994, the Fund became responsible for the payment of its own day-to-day operating expenses, which decreased the Fund's performance. These illustrations are intended to show the historical growth pattern of the Fund, and offer no indication of what its future performance will be.

** As measured by the Consumer Price Index, December 31, 1995.

$10,000 invested at start of period*

Year Ending Dec. 31	Market Value of account	Year over year rate of return Capital	Income	Total
1985	$ 10,000	–	–	–
1986	11,012	0.1 %	10.0 %	10.1 %
1987	11,824	(2.1) %	9.5 %	7.4 %
1988	12,804	(1.3) %	9.6 %	8.3 %
1989	14,212	1.3 %	9.7 %	11.0 %
1990	15,691	0.5 %	9.9 %	10.4 %
1991	17,786	4.7 %	8.7 %	13.4 %
1992	18,955	(1.0) %	7.6 %	6.6 %
1993	20,954	3.9 %	6.6 %	10.5 %
1994	20,614	(8.3) %	6.7 %	(1.6) %
1995	22,973	5.2 %	6.2 %	11.4 %

The accompanying graph and chart show the growth of Investors Mortgage Fund over the past ten years. They both illustrate how an initial investment of $10,000 in 1985 is now valued at over $22,900.



$100 invested each month*

Year Ending Dec. 31	Cumulative Contributions	Cumulative Dividends Reinvested	Closing Unit Price	Closing Market Value
1986	$ 1,200	$ 76	$ 5.06	$ 1,275
1987	2,400	271	4.94	2,623
1988	3,600	600	4.88	4,096
1989	4,800	1,090	4.92	5,827
1990	6,000	1,769	4.91	7,734
1991	7,200	2,558	5.10	10,057
1992	8,400	3,388	5.05	11,961
1993	9,600	4,281	5.22	14,497
1994	10,800	5,249	4.81	15,476
1995	12,000	6,332	5.03	18,516

The accompanying graph and chart illustrate how $100 per month invested for 10 years would be worth over $18,500 in Investors Mortgage Fund today.

Investors Mortgage Fund

Statement of Investments

as at December 31, 1995

	Principal Value	Amortized Cost (in thousands)	Market Value
First Mortgages on Improved Real Estate (Schedules)	$ 2,851,412,188	$ 2,851,534	$ 2,875,605
Bonds	**Par Value**	**Average Cost**	**Market Value**
Federal Government			
Government of Canada 09-01-98 (Coupons only) (Yield 12.75%)	$ 63,750	$ 53	$ 54
Provincial			
Province of New Brunswick 10.50% 11-23-98 Euro-Cdn	3,000,000	3,348	3,299
Province of Saskatchewan 8.75% 06-01-01	3,225,000	3,383	3,491
		6,731	6,790
Guaranteed			
Ontario Hydro Global 8.625% 02-06-02	6,600,000	6,834	7,121
9.00% 06-24-02	11,375,000	12,952	12,524
		19,786	19,645
Mortgage Backed†			
National Housing Authority Mortgage Backed Securities 8.125% 01-01-97	10,069,394	9,930	10,248
7.875% 02-01-97	9,762,678	9,628	9,872
8.25% 03-01-97	10,304,971	10,167	10,456
8.375% 03-01-97	5,844,848	5,814	5,937
9.00% 03-01-97	6,328,370	6,211	6,493
8.375% 05-01-97	6,791,215	6,622	6,957
9.00% 06-01-97	6,825,316	6,720	6,989
9.125% 06-01-97	5,373,950	5,293	5,509
7.00% 07-01-97	2,525,333	2,498	2,554
8.25% 07-01-97	7,121,487	6,985	7,296
8.75% 07-01-97	4,835,703	4,760	4,953
8.50% 08-01-97	2,210,683	2,178	2,260
7.00% 09-01-97	5,672,757	5,601	5,726
7.00% 09-01-97	12,344,188	12,223	12,462
		94,630	97,712
Total Investments		$ 2,972,734	$ 2,999,806

Net Assets:	
Total investments	$ 2,999,806
Short term debt instruments	36,100
Other net liabilities	(4,924)
	$ 3,030,982

Schedule I

Distribution of Mortgages by Interest Rate December 31, 1995

Rate	Number of Loans	Principal Value Outstanding (in thousands)	Amortized Cost (in thousands)	Market Value (in thousands)
5.251 to 5.500	1	$ 44	$ 44	$ 44
5.501 to 5.750	33	2,583	2,583	2,570
5.751 to 6.000	205	18,127	18,117	17,872
6.001 to 6.250	112	8,788	8,768	8,718
6.251 to 6.500	126	8,595	8,596	8,531
6.501 to 6.750	2,860	272,369	272,347	263,705
6.751 to 7.000	555	47,787	47,756	46,852
7.001 to 7.250	1,565	148,815	148,763	148,105
7.251 to 7.500	2,441	244,468	244,464	243,983
7.501 to 7.750	1,834	165,866	165,828	165,829
7.751 to 8.000	3,789	353,803	353,793	354,028
8.001 to 8.250	3,208	310,291	310,280	313,281
8.251 to 8.500	2,065	249,678	249,812	253,472
8.501 to 8.750	1,907	176,601	176,619	179,469
8.751 to 9.000	1,906	187,688	187,646	192,026
9.001 to 9.250	986	118,544	118,543	121,818
9.251 to 9.500	2,122	176,337	176,338	181,576
9.501 to 9.750	1,219	101,406	101,446	104,340
9.751 to 10.000	935	94,408	94,518	98,546
10.001 to 10.250	316	29,242	29,242	30,640
10.251 to 10.500	215	19,801	19,801	20,618
10.501 to 10.750	157	14,203	14,203	14,787
10.751 to 11.000	505	35,919	35,920	36,833
11.001 to 11.250	448	34,996	35,033	35,884
11.251 to 11.500	174	17,291	17,311	17,963
11.501 to 11.750	37	4,113	4,113	4,292
11.751 to 12.000	23	5,554	5,554	5,630
12.001 to 12.250	13	1,486	1,486	1,530
12.251 to 12.500	18	1,242	1,243	1,280
12.501 to 12.750	10	1,060	1,060	1,076
14.001 to 14.250	2	307	307	307
	29,787	$ 2,851,412	$ 2,851,534	$ 2,875,605

The rates used for determining market value of mortgage loans as at December 31, 1995 were:

Term	Residential Rate	Commercial Rate	Social Housing Rate*
6 month (open)	7.625 %	- %	- %
6 month (closed)	7.125	-	-
0 - 12 months (open)	8.250	-	-
0 - 12 months	7.000	From 7.000 To 7.500	5.790
13 - 24 months	7.375	From 7.040 To 7.750	5.880
25 - 36 months	7.750	From 7.080 To 8.000	6.160
37 - 48 months	8.000	From 7.290 To 8.250	6.380
49 - 60 months	8.200	From 7.510 To 8.500	6.570
61 - 84 months	8.625	- -	6.770
85 - 120 months	9.125	From 7.990 To 9.250	7.080

** Government subsidized housing loans that are fully guaranteed by the Government of Canada.*

† Mortgage Backed securities are guaranteed by the Canada Mortgage Housing Corporation.
See accompanying notes to financial statements.

Investors Mortgage Fund

Schedule II

Distribution of Mortgages by Geographic Location
December 31, 1995

(in thousands)

	Number of Loans	Principal Value Outstanding	Market Value	% of Market Value
British Columbia	4,192	$ 563,382	$ 566,940	19.7 %
Alberta	3,184	267,658	269,139	9.4
Saskatchewan	719	47,348	47,594	1.7
Manitoba	2,500	207,403	210,409	7.3
Ontario	12,740	1,296,823	1,309,204	45.5
Quebec	3,786	302,519	304,548	10.6
New Brunswick	839	51,928	52,389	1.8
Nova Scotia	1,183	73,874	74,576	2.6
Newfoundland	556	35,150	35,449	1.2
Prince Edward Island	78	4,307	4,335	0.2
Yukon/Territories	10	1,020	1,022	0.0
	29,787	$ 2,851,412	$ 2,875,605	100.0 %

Schedule III

Distribution of Mortgages by Type of Construction
December 31, 1995

(in thousands)

	Number of Loans	Principal Value Outstanding	Amortized Cost	Market Value	% of Market Value
Single Family Dwellings	23,636	$ 1,933,202	$ 1,933,016	$ 1,943,216	67.5 %
Condominiums	4,316	293,819	293,772	295,414	10.3
Multi-unit Dwellings up to 8 units	1,460	137,103	137,303	138,773	4.8
Multi-unit Dwellings over 8 units	192	323,765	323,960	330,909	11.5
Industrial	46	26,888	26,888	27,421	1.0
Commercial	137	136,635	136,595	139,872	4.9
	29,787	$ 2,851,412	$ 2,851,534	$ 2,875,605	100.0 %

Schedule IV

Distribution of Mortgages by Year of Maturity
December 31, 1995

(in thousands)

	Number of Loans	Principal Value Outstanding	Market Value
1996	7,050	$ 564,640	$ 568,616
1997	6,917	723,109	735,919
1998	5,689	579,277	587,021
1999	6,203	571,423	566,211
2000	3,524	332,849	334,840
2001	115	9,664	9,999
2002	141	35,841	38,274
2003	57	12,855	13,183
2004	76	20,762	20,516
2005	15	992	1,026
	29,787	$ 2,851,412	$ 2,875,605

Schedule V

Distribution of Mortgages by Type of Insurance
December 31, 1995

(in thousands)

	Number of Loans	Principal Value Outstanding	Market Value	% of Market Value
Insured by National Housing Act (Canada)	11,420	$ 1,325,992	$ 1,338,632	46.6 %
Insured by a Private Insurer (Conventional)	904	60,801	61,667	2.1
Uninsured - Conventional	17,463	1,464,619	1,475,306	51.3
	29,787	$ 2,851,412	$ 2,875,605	100.0 %

Schedule VI

Mortgages Having 90 Days or More in Arrears
December 31, 1995

(in thousands)

Days in Arrears	Number Of Loans	Principal Value Outstanding	Market Value
90	35	$ 6,307	$ 6,307
120	30	2,662	2,662
150	23	2,040	2,040
180 or more	94	13,222	13,222
	182	$ 24,231	$ 24,231

** Principal balance does not reflect allowance for mortgage loan losses of $3,826,500*

See accompanying notes to financial statements.

100% RRSP eligible

Investors Real Property Fund

Investors Real Property Fund offers investors potential long-term capital growth and steady income through a portfolio of high-quality Canadian real estate.

Performance

The Fund continues to maintain a broad geographic investment spread, with core holdings in a wide variety of Canadian real estate. Office and industrial real estate constitute more than half of the Fund's portfolio.

Real estate investment activity over the past 12 months lagged behind that of 1994, owing largely to the lower activity of real estate and pension funds. Returns increased steadily throughout the year, however, due to the Fund's ownership of high-quality real estate.

An effective leasing strategy saw the Fund's overall vacancy rate decrease through much of 1995.

Outlook

The Fund should experience increased leasing as more tenants implement their 1996 relocation or expansion strategies.

Since the real estate cycle has bottomed, the Fund's property depreciation should reduce significantly compared to the first quarter of 1995 resulting in the Fund's return increasing in the first quarter.

Murray J. Mitchell
Vice-President,
Real Estate

Investors Real Property Fund is managed by Murray Mitchell, Investors Group Vice-President, Real Estate. Murray is a Certified General Accountant who joined Investors Group in 1989. His 20-year real estate career has included positions ranging from controller to chief financial officer with real estate development and investment companies.

Performance Highlights*

1 yr	3 yr	5 yr	10 yr
4.27 %	1.49 %	1.51 %	5.15 %
Inflation**			
1.7 %	1.2 %	1.9 %	3.2 %

* Returns are compound rates of return and do not include acquisition or redemption fees but are net of management fees and include reinvestment of all income. Effective October 1, 1994, the Fund became responsible for the payment of a service fee and for its own day-to-day operating expenses, which decreased the Fund's performance. These illustrations are intended to show the historical growth pattern of the Fund, and offer no indication of what its future performance will be.

** As measured by the Consumer Price Index, December 31, 1995.

Financial Highlights*

Total net assets	$ 343,133,023
Number of Unitholders	7,044
Asset value per unit:	
High	$ 4.43
Low	$ 4.32
Close	$ 4.33
Income distributed per unit	$ 0.286
Income distributed	$ 21,621,671

Asset Mix

Investors Real Property Fund invests in a broad mix of income-producing commercial and residential properties across Canada.

1 Real Estate	67.4 %
Office	28.3 %
Industrial	23.6 %
Retail	9.6 %
Residential	4.9 %
Land & Development	1.0 %
2 Cash & Other Assets	32.0 %
3 Stocks & Bonds	0.6 %

Investors Real Property Fund

Statement of Investments

as at December 31, 1995

	(in thousands) Cost	Market Value
Real Estate Investments (See Schedule)	$ 317,469	$ 284,979
Other Investments		
Other Real Property Investments (See Schedule)	8,089	8,429

Bonds - Convertible	Par Value	Average Cost	Market Value
BF Realty Holdings Ltd..			
8.00% 06-30-98 Conv. Sub. Deb.	$ 2,000,000	$ 2,010	$ 20

	No. of Shares	(in thousands) Average Cost	Market Value
Common Stock			
Real Estate & Construction			
Cambridge Shopping Centres Limited	162,100	4,920	1,925
Total Investments		$ 332,488	$ 295,353

Net Assets:	
Total investments	$ 295,353
Short term debt instruments	109,171
Other net liabilities	(61,391)
	$ 343,133

Schedule of Real Estate Investments

as at December 31, 1995

Address	Type of Property and % of Ownership	Date of Acquisition	Cost at Acquisition ($ thousands)	Cost as at Dec. 31/95 ($ thousands)	Value at Date of Appraisal* ($ thousands)	Date of Appraisal & Appraiser	Market Value as at Dec. 31/95 ($ thousands)	Net Rentable Area in Sq. Ft.	% Leased in Sq. Ft. at Dec. 31/95	Financing at Dec. 31/95 ($ thousands)	Net Income (loss) for year ended Dec. 31/95 ($ thousands)
Maples Market Place 1271/1303 Jefferson Winnipeg, Manitoba	Multi-Tenant Retail (100%)	October 4/84	3,317	4,612	4,361	October 4, 1995 Hoffer, Wilkinson & Associates Ltd.	4,499	56,329	91.1 %	N/A	192
1111 Flint Rd. North York, Ontario	Multi-Tenant Industrial/Office (50%)	November 30/84	3,298	3,545	2,150	November 30, 1995 Mackenzie, Ray, Heron & Edwardh	2,150	176,971	97.6 %	N/A	217
750 Cambie St. Vancouver, British Columbia	Single Tenant Office (100%)	July 31/85	5,634	6,838	6,250	July 31, 1995 Burgess, Austin & Associates	6,315	70,758	69.2 %	103	366
99 Avenue Rd. Toronto, Ontario	Multi-Tenant Office (100%)	January 31/86 (65%) December 8/95 (35%)	5,788	6,741	2,000	January 31, 1995 Mackenzie, Ray, Heron & Edwardh	2,819	84,206	52.8 %	N/A	130
Impact Plaza 152 St. & 100 Avenue Surrey, British Columbia	Multi-Tenant Retail (100%)	March 4/86 (50%) Jan. 18/91 (50%)	16,029	16,244	20,300	March 4, 1995 Grover Elliott & Co. Ltd.	20,339	133,933	97.3 %	10,552	747
61 Raddall Avenue Dartmouth, Nova Scotia	Multi-Tenant Industrial/Office (100%)	December 12/86	2,852	3,121	2,273	December 12, 1995 Turner, Drake & Partners Ltd.	2,274	58,296	89.3 %	N/A	191
7973/7979/7981/7991 Enterprise St Burnaby, British Columbia	Multi-Tenant Industrial/Office (100%)	December 19/86	4,226	4,811	6,350	December 19, 1995 Grover Elliott & Co. Ltd.	6,350	107,177	100.0 %	N/A	582
Apache Business Park 1100/1120 Waverley St. 1140/1146 Waverley St. Winnipeg, Manitoba	Multi-Tenant Industrial/Office (75%)	March 2/87	4,556	5,142	5,250	March 2, 1995 Hoffer, Wilkinson & Associates Ltd.	5,308	138,595	100.0 %	N/A	573
Imperial Square Business Park 3000/3100/3200 Beta Avenue Burnaby, British Columbia	Multi-Tenant Industrial/Office (100%)	May 15/87	11,139	12,136	15,100	May 15, 1995 Grover Elliott & Co. Ltd.	15,180	215,254	91.5 %	6,073	597
Tuxedo Park Shopping Centre 2025/2071 Corydon Avenue Winnipeg, Manitoba	Multi-Tenant Retail (100%)	June 30/87	14,740	15,936	15,000	June 30, 1995 Hoffer, Wilkinson & Associates Ltd.	15,112	131,167	94.8 %	N/A	1,312
3501 St. Charles Blvd. Kirkland, Quebec	Multi-Tenant Office (100%)	November 6/87	5,046	5,166	3,700	November 6, 1995 Leonard, Chevalier, Bernard & Associates Ltd.	3,700	42,898	100.0 %	N/A	392
Carling Corner Shopping Centre Albert & 4th Avenue Regina, Saskatchewan	Multi-Tenant Retail (100%)	November 30/87	3,863	3,819	3,450	November 30, 1995 Keith Fraser & Company Ltd.	3,450	36,111	96.7 %	N/A	369

Investors Real Property Fund

Schedule of Real Estate Investments

as at December 31, 1995

Address	Type of Property and % of Ownership	Date of Acquisition	Cost at Acquisition (in thousands)	Cost as at Dec. 31/95 (in thousands)	Value at Date of Appraisal* (in thousands)	Date of Appraisal & Appraiser	Market Value as at Dec. 31/95 (in thousands)	Net Rentable Area in Sq. Ft.	% Leased in Sq. Ft. at Dec. 31/95	Financing at Dec. 31/95 (in thousands)	Net Income (loss) for year ended Dec. 31/95 (in thousands)
			$	$	$		$			$	$
2 County Court Blvd. Brampton, Ontario	Multi-Tenant Office/Retail (100%)	December 16/87	13,558	14,981	8,625	December 16, 1995 Mackenzie, Ray, Heron & Edwardh	8,625	87,487	91.3 %	N/A	832
Reed Stenhouse Building 2201-11th Avenue Regina, Saskatchewan *(Note 10)*	Multi-Tenant Office (100%)	May 2/88 (50%) June 1/88 (50%)	7,825	7,981	2,250	May 2, 1995 Crown Appraisals	2,252	56,816	73.5 %	4,521	(63)
McIntyre Warehouse 8828-8856-48th Avenue Edmonton, Alberta	Multi-Tenant Industrial/Office (100%)	May 31/88	2,265	2,485	2,500	May 31, 1995 Keith Fraser & Company Ltd.	2,582	83,318	100.0 %	N/A	151
Norwester Building 16304-117th Avenue Edmonton, Alberta	Multi-Tenant Industrial/Office (100%)	November 15/88	3,262	3,712	2,975	November 15, 1995 Keith Fraser & Company Ltd.	2,975	111,727	100.0 %	N/A	211
Airport Business Centre 2103 & 2121 Airport Drive Saskatoon, Saskatchewan	Multi-Tenant Office (100%)	March 17/89	3,094	3,331	2,220	March 17, 1995 Brunsdon, Martin & Associates Ltd.	2,226	49,801	79.0 %	N/A	259
679-701 Meloche Avenue & 11450 Cote de Liesse Road 741-749 & 703-729 Meloche Dorval, Quebec	Multi-Tenant Industrial/Office (75%)	April 17/89	4,566	4,822	2,625	April 17, 1995 Leonard, Chevalier, Bernard & Associates Ltd.	2,768	102,188	82.5 %	868	165
1520-1660 55th Avenue & 1730-1850 55th Avenue & 5435 Francoise Cusson Street Lachine, Quebec	Multi-Tenant Industrial/Office (50%)	April 20/89	4,504	4,826	2,750	April 20, 1995 Leonard, Chevalier, Bernard & Associates Ltd.	2,920	158,055	81.2 %	N/A	252
Emhart Canada Building 1500 de Boucherville Street Montreal, Quebec	Single Tenant Industrial/Office (75%)	April 21/89	7,077	7,077	4,125	April 21, 1995 Leonard, Chevalier, Bernard & Associates Ltd.	4,500	176,401	100.0 %	N/A	734
Barlow Centre 8080 36 Street S.E. 8081 40 Street S.E. 3838-4040 80 Avenue S.E. 3915 & 4055 78 Street S.E. Calgary, Alberta	Multi-Tenant Industrial/Office (100%)	May 1/89	9,171	11,200	14,000	May 1, 1995 Bryce Kipp Nelson Limited	14,159	362,163	100.0 %	N/A	1,409
106 Colonnade Road Nepean, Ontario	Multi-Tenant Office (100%)	December 14/89	6,139	6,337	2,250	December 14, 1995 Juteau, Johnson, Comba Inc.	2,246	38,360	100.0 %	N/A	88
Airport Place 2345 Avenue C North Saskatoon, Saskatchewan	Multi-Tenant Office (100%)	December 21/89	2,914	2,883	1,090	December 21, 1995 Brunsdon, Martin & Associates Ltd.	1,087	46,222	59.1 %	N/A	63
Fiberglas Canada Building 2499 Watt Street Ste. Foy, Quebec	Single Tenant Industrial/Office (100%)	June 29/90	2,330	2,335	2,250	June 29, 1995 Leonard, Chevalier, Bernard & Associates Ltd.	2,250	50,000	100.0 %	N/A	257
1875 55th Avenue & 22 - 60 Lindsay Dorval, Quebec	Multi-Tenant Industrial/Office (50%)	June 29/90	2,513	2,599	1,375	June 29, 1995 Leonard, Chevalier, Bernard & Associates Ltd.	1,375	81,878	87.5 %	N/A	157
Karhu Building 1200 55th Avenue Lachine, Quebec	Single Tenant Industrial/Office (50%)	June 29/90	1,882	1,882	1,700	June 29, 1995 Leonard, Chevalier, Bernard & Associates Ltd.	1,700	68,461	100.0 %	N/A	205
2616 18th Street N.E. Calgary, Alberta	Single Tenant Industrial/Office (100%)	July 31/90	2,013	2,013	2,560	July 31, 1995 Bryce Kipp Nelson Limited	2,560	47,210	100.0 %	N/A	260
Fiberglas Canada Building 310 Humberline Drive Etobicoke, Ontario	Single Tenant Industrial/Office (100%)	September 6/90	6,168	6,168	5,250	September 6, 1995 Mackenzie, Ray, Heron & Edwardh	5,250	116,910	100.0 %	N/A	638

** Appraisals on properties are obtained no later than the anniversary date or more frequently at the direction of the Fund Manager or Trustee.*

See accompanying notes to financial statements.

Investors Real Property Fund

Schedule of Real Estate Investments

as at December 31, 1995

Address	Type of Property and % of Ownership	Date of Acquisition	Cost at Acquisition (in thousands)	Cost as at Dec. 31/95 (in thousands)	Value at Date of Appraisal* (in thousands)	Date of Appraisal & Appraiser	Market Value as at Dec. 31/95 (in thousands)	Net Rentable Area in Sq. Ft.	% Leased in Sq. Ft. at Dec. 31/95	Financing at Dec. 31/95 (in thousands)	Net Income (loss) for year ended Dec. 31/95
			$	$	$		$			$	$
Cognos Building 3755 Riverside Drive Ottawa, Ontario	Single Tenant Office (50%)	December 31/90	6,152	6,182	6,250	December 31, 1995 Juteau, Johnson, Comba Inc.	6,250	82,065	100.0 %	N/A	704
117th Avenue Business Centre Edmonton, Alberta	Multi-Tenant Industrial/Office (100%)	June 17/91	1,214	1,349	1,430	June 17, 1995 Keith Fraser & Company Ltd.	1,466	58,162	81.4 %	N/A	72
815 West Hastings Vancouver, British Columbia	Multi-Tenant Office (100%)	September 16/91	17,080	17,842	11,500	September 16, 1995 Burgess, Austin & Associates	11,584	107,298	85.7 %	N/A	826
1595 - 16th Avenue Richmond Hill, Ontario	Multi-Tenant Office (50%)	October 8/91	9,576	9,753	7,850	October 11, 1995 Mackenzie, Ray, Heron & Edwardh	7,866	118,626	98.2 %	N/A	823
2 Hanover Road Brampton, Ontario	Multi-Unit Residential (50%)	August 11/94	8,387	8,422	9,056	August 11, 1995 Fish, Marks & Associates Inc.	9,092	313,000	99.6 %	1,644	589
4 Hanover Road Brampton, Ontario	Multi-Unit Residential (50%)	August 11/94	10,246	10,306	11,069	August 11, 1995 Fish, Marks & Associates Inc.	11,128	365,000	98.8 %	1,896	309
6205A Airport Road Mississauga, Ontario	Multi-Tenant Office (50%)	October 1/94	1,236	1,236	1,500	June 30, 1995 Mackenzie, Ray, Heron & Edwardh	1,500	36,613	65.2 %	N/A	204
6205B Airport Road Mississauga, Ontario	Multi-Tenant Office (50%)	October 1/94	1,593	1,605	1,600	June 30, 1995 Mackenzie, Ray, Heron & Edwardh	1,600	59,875	95.7 %	N/A	220
6299 Airport Road Mississauga, Ontario	Multi-Tenant Office (50%)	October 1/94	2,822	2,849	2,700	October 31, 1995 Leonard, McCoubrey & Associates Ltd.	2,701	86,555	89.2 %	1,209	261
6303 Airport Road Mississauga, Ontario	Multi-Tenant Office (50%)	October 1/94	2,947	3,002	2,720	October 31, 1995 Leonard, McCoubrey & Associates Ltd.	2,667	76,598	78.7 %	1,582	109
6715 Airport Road Mississauga, Ontario	Multi-Tenant Office (50%)	October 1/94	3,854	3,859	3,850	January 31, 1995 Lincoln North & Company Ltd.	3,850	109,547	91.3 %	487	402
6725 Airport Road Mississauga, Ontario	Multi-Tenant Office (50%)	October 1/94	5,051	5,065	4,875	January 31, 1995 Lincoln North & Company Ltd.	4,881	122,011	76.9 %	N/A	540
Britannia Place Mississauga, Ontario	Multi-Tenant Office (50%)	October 1/94	7,226	7,249	7,400	June 30, 1995 Lincoln North & Company Ltd.	7,421	139,090	100.0 %	5,084	423
Heartland Corporate Centre Mississauga, Ontario	Multi-Tenant Office (50%)	October 1/94	14,058	14,138	14,150	January 31, 1995 Leonard, McCoubrey & Associates Ltd.	14,155	242,947	93.5 %	5,076	1,387
90 Matheson Boulevard Mississauga, Ontario	Multi-Tenant Office (50%)	October 1/94	3,881	3,910	4,350	February 28, 1995 Lincoln North & Company Ltd.	4,374	91,082	100.0 %	N/A	540
110 Matheson Boulevard Mississauga, Ontario	Multi-Tenant Office (50%)	October 1/94	5,767	5,767	6,250	February 28, 1995 Lincoln North & Company Ltd.	6,250	92,465	100.0 %	N/A	758
115 Matheson Boulevard Mississauga, Ontario	Multi-Tenant Office (50%)	October 1/94	1,398	1,494	1,500	February 28, 1995 Mackenzie, Ray, Heron & Edwardh	1,590	36,623	100.0 %	N/A	197
135 Matheson Boulevard Mississauga, Ontario	Multi-Tenant Office (50%)	October 1/94	1,657	1,657	1,625	February 28, 1995 Mackenzie, Ray, Heron & Edwardh	1,625	36,623	89.2 %	N/A	245
155 Matheson Boulevard Mississauga, Ontario	Multi-Tenant Office (50%)	October 1/94	1,268	1,268	1,300	February 28, 1995 Mackenzie, Ray, Heron & Edwardh	1,300	36,501	72.1 %	N/A	128

Investors Real Property Fund

Schedule of Real Estate Investments

as at December 31, 1995

Address	Type of Property and % of Ownership	Date of Acquisition	Cost at Acquisition	Cost as at Dec. 31/95	Value at Date of Appraisal*	Date of Appraisal & Appraiser	Market Value as at Dec. 31/95	Net Rentable Area in Sq. Ft.	% Leased in Sq. Ft. at Dec. 31/95	Financing at Dec. 31/95	Net Income (loss) for year ended Dec. 31/95
			(in thousands)				*(in thousands)*			*(in thousands)*	
			$	$	$		$			$	$
3030 Orlando Drive Mississauga, Ontario	Single Tenant Industrial/Office (50%)	October 1/94	313	313	375	May 31, 1995 Fish, Marks & Associates Inc.	375	14,925	100.0 %	N/A	34
6509 Airport Road Mississauga, Ontario	Single Tenant Office (50%)	October 1/94	1,607	1,607	1,550	June 30, 1995 Fish, Marks & Associates Inc.	1,550	60,000	100.0 %	1,208	(18)
6655 Airport Road Mississauga, Ontario	Multi-Tenant Industrial/Office (50%)	October 1/94	1,473	1,473	1,425	June 30, 1995 Fish, Marks & Associates Inc.	1,425	66,425	57.6 %	327	81
6695 Airport Road Mississauga, Ontario	Multi-Tenant Office (50%)	October 1/94	649	1,075	1,175	June 30, 1995 Fish, Marks & Associates Inc.	1,186	28,944	100.0 %	375	(47)
6585 Airport Road & 3035 Orlando Drive Mississauga, Ontario	Multi-Tenant Commercial (50%)	October 1/94	1,257	1,257	1,450	May 31, 1995 Fish, Marks & Associates Inc.	1,450	21,868	100.0 %	477	103
5201 Explorer Drive Mississauga, Ontario	Single Tenant Industrial/Office (50%)	October 1/94	2,201	2,201	2,200	April 30, 1995 Fish, Marks & Associates Inc.	2,200	60,155	100.0 %	1,086	82
71 Maybrook Drive Scarborough, Ontario	Single Tenant Industrial/Office (50%)	October 1/94	2,456	2,456	2,325	February 28, 1995 Leonard, McCoubrey Associates Ltd.	2,325	127,607	100.0 %	N/A	254
81 Maybrook Drive Scarborough, Ontario	Multi-Tenant Industrial/Office (50%)	October 1/94	1,370	1,370	1,165	February 28, 1995 Leonard, McCoubrey Associates Ltd.	1,165	72,784	100.0 %	982	50
875 Middlefield Road Scarborough, Ontario	Single Tenant Industrial/Office (50%)	October 1/94	3,023	3,023	2,900	February 28, 1995 Leonard, McCoubrey Associates Ltd.	2,900	126,590	100.0 %	1,697	102
335 Passmore Avenue Scarborough, Ontario	Single Tenant Industrial/Office (50%)	October 1/94	1,275	1,319	1,375	August 31, 1995 Lincoln North & Company Ltd.	1,396	63,263	100.0 %	892	87
345 Passmore Avenue Scarborough, Ontario	Single Tenant Industrial/Office (50%)	October 1/94	1,837	1,837	1,813	August 31, 1995 Lincoln North & Company Ltd.	1,813	93,441	100.0 %	649	133
230 Barmac Drive North York, Ontario	Single Tenant Industrial/Office (50%)	October 1/94	1,762	1,762	1,650	September 30, 1995 Leonard, McCoubrey Associates Ltd.	1,650	118,185	100.0 %	615	105
590 Barmac Drive North York, Ontario	Single Tenant Industrial/Office (50%)	October 1/94	1,031	1,031	1,035	September 30, 1995 Leonard, McCoubrey Associates Ltd.	1,035	74,681	100.0 %	617	26
650 Barmac Drive North York, Ontario	Single Tenant Industrial/Office (50%)	October 1/94	754	754	745	September 30, 1995 Leonard, McCoubrey Associates Ltd..	745	39,715	100.0 %	542	50
250 Fenmar Drive North York, Ontario	Single Tenant Industrial/Office (50%)	October 1/94	2,191	2,191	1,950	September 30, 1995 Leonard, McCoubrey Associates Ltd.	1,950	138,049	100.0 %	996	146
400 Fenmar Drive North York, Ontario	Single Tenant Industrial/Office (50%)	October 1/94	1,283	1,283	1,262	April 30, 1995 Lincoln North & Company Ltd.	1,263	83,856	100.0 %	918	31
500 Fenmar Drive North York, Ontario	Single Tenant Industrial/Office (50%)	October 1/94	1,111	1,111	1,100	April 30, 1995 Lincoln North & Company Ltd.	1,100	110,812	100.0 %	N/A	71
700 - 710 Ormont Drive North York, Ontario	Multi-Tenant Industrial/Office (50%)	October 1/94	1,712	1,712	1,375	October 31, 1995 Fish, Marks & Associates Inc.	1,375	115,205	100.0 %	N/A	155

** Appraisals on properties are obtained no later than the anniversary date or more frequently at the direction of the Fund Manager or Trustee.*

See accompanying notes to financial statements.

Investors Real Property Fund

Schedule of Real Estate Investments

as at December 31, 1995

Address	Type of Property and % of Ownership	Date of Acquisition	Cost at Acquisition ($) (in thousands)	Cost as at Dec. 31/95 ($) (in thousands)	Value at Date of Appraisal* ($) (in thousands)	Date of Appraisal & Appraiser	Market Value as at Dec. 31/95 ($) (in thousands)	Net Rentable Area in Sq. Ft.	% Leased in Sq. Ft. at Dec. 31/95	Financing at Dec. 31/95 ($) (in thousands)	Net Income (loss) for year ended Dec. 31/95 ($) (in thousands)
1235 Ormont Drive North York, Ontario	Single Tenant Industrial/Office (50%)	October 1/94	1,181	1,181	1,290	October 31, 1995 Leonard, McCoubrey & Associates Ltd.	1,290	67,768	100.0 %	841	39
1235 Ormont Drive North York, Ontario	Multi-Tenant Industrial/Office (50%)	October 1/94	1,618	1,618	1,575	October 31, 1995 Fish, Marks & Associates Inc.	1,575	116,185	100.0 %	1,167	72
1700 & 1880 Ormont Drive North York, Ontario	Single Tenant Industrial/Office (50%)	October 1/94	852	852	705	November 30, 1995 Fish, Marks & Associates Inc.	705	74,748	100.0 %	621	(3)
55 East Beaver Creek Road Richmond Hill, Ontario	Multi-Tenant Industrial/Office (50%)	October 1/94	3,054	3,054	2,825	August 31, 1995 Fish, Marks & Associates Inc.	2,825	141,794	100.0 %	1,981	125
60 Leek Crescent Richmond Hill, Ontario	Multi-Tenant Industrial/Office (50%)	October 1/94	2,646	2,646	2,875	August 31, 1995 Fish, Marks & Associates Inc.	2,875	134,814	100.0 %	1,908	184
1461 Castlefield Avenue Toronto, Ontario	Single Tenant Industrial/Office (50%)	October 1/94	647	647	535	November 30, 1995 Fish, Marks & Associates Inc.	535	30,688	100.0 %	N/A	57
				317,469			284,979			56,994	21,942

Schedule of Other Real Property Investments

as at December 31, 1995

Project Description	Type of Property and % of Ownership	Date of Acquisition	Cost at Acquisition ($) (in thousands)	Cost as at Dec. 31/95 ($) (in thousands)	Value at Date of Appraisal* ($) (in thousands)	Effective Date of Appraisal	Appraiser	Market Value as at Dec. 31/95 ($) (in thousands)
Canada Way Business Park 4878 Manor Street Burnaby, British Columbia								
Pre-Development Cost			-	897	-			-
Development Costs			-	994	-		Burgess Austin &	994
Land *(Note 11(b))*	Land Lease 75%	October 9/90	4,300	4,300	5,850	October 9/95	Associates	5,850
Cognos Land 3755 Riverside Drive Ottawa, Ontario	Land 50%	December 31/90	875	875	810	December 31/95	Juteau, Johnson Comba, Inc.	810
1555 16th Avenue Richmond Hill, Ontario	Land 50%	October 8/91	1,000	1,023	775	October 11/95	Mackenzie, Ray, Heron & Edwardh	775
				8,089				8,429

** Appraisals on properties are obtained no later than the anniversary date or more frequently at the direction of the Fund Manager or Trustee.*
See accompanying notes to financial statements.

100% RRSP eligible

Investors Government Bond Fund

Investors Government Bond Fund provides investors with a high level of current income through investments in high-quality bonds issued by Canadian federal, provincial, and municipal governments, as well as their agencies and Crown corporations.

Performance

North American bonds rallied throughout much of 1995, although political uncertainty surrounding the Quebec referendum held the Canadian market back in comparison with the U.S. During the first half of the year, the Fund was well positioned to take advantage of the rally. Canadian government bonds represented the longest-duration portion of the Fund's portfolio. This enabled the Fund to reap the benefits of declining Canadian interest rates.

The Fund took a more defensive stance in the third quarter to protect its gains and to weather the volatility in Canadian bond prices prior to the referendum. Post-referendum trading saw more gains for Canadian bonds, as Canada-U.S. yield spreads narrowed and Canadian bond prices outpaced those of their U.S. counterparts.

Outlook

Bond prices rallied substantially during 1995, and the outlook remains favourable. Sluggish economic growth and low inflation will allow interest rates to drop further, which should allow bond yields to ease and prices to increase. However, it will be difficult for bond markets to match last year's strong performance.

Alan Brownridge
Senior Vice-President,
Bonds

Investors Government Bond Fund has been managed since 1984 by Alan Brownridge, Investors Group Senior Vice-President, Bonds. Alan is a Certified General Accountant and Chartered Financial Analyst who joined Investors Group after working in the Government of Manitoba's Treasury Division.

Performance Highlights*

1 yr	3 yr	5 yr	10 yr
19.22 %	9.14 %	10.71 %	9.61 %

Inflation**

1 yr	3 yr	5 yr	10 yr
1.7 %	1.2 %	1.9 %	3.2 %

* Returns are compound rates of return and do not include acquisition or redemption fees but are net of management fees and include reinvestment of all income. Effective October 1, 1994, the Fund's management fee was reduced by .10% to 1.65%, which increased the Fund's performance. Also on October 1, 1994, the Fund became responsible for the payment of its own day-to-day operating expenses, which decreased the Fund's performance. These illustrations are intended to show the historical growth pattern of the Fund, and offer no indication of what its future performance will be.

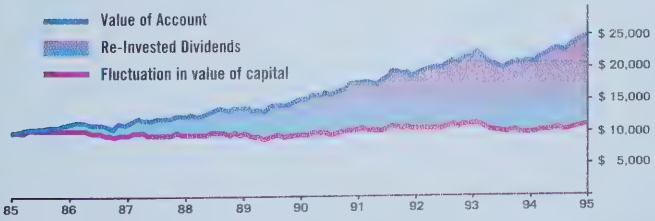
** As measured by the Consumer Price Index, December 31, 1995.

Financial Highlights*

Total net assets	$ 1,635,910,882
Number of Unitholders	72,103
Asset value per unit:	
High	$ 4.89
Low	$ 4.24
Close	$ 4.88
Income distributed per unit	$ 0.297
Income distributed	$ 97,487,550

$10,000 invested at start of period*

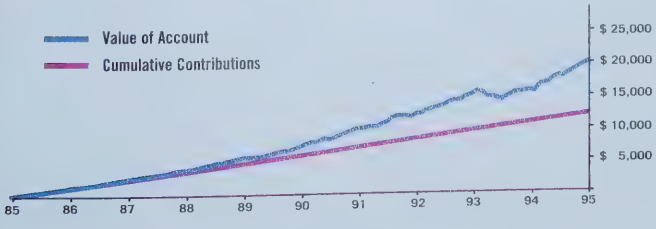
The accompanying graph and chart show the growth of Investors Government Bond Fund over the past ten years. They both illustrate how an initial investment of $10,000 in 1985 is now valued at over $25,000.



Year Ending Dec. 31	Market Value of account	Year over year rate of return Capital	Income	Total
1985	$ 10,000	–	–	–
1986	11,186	3.0 %	8.9 %	11.9 %
1987	11,486	(6.0) %	8.7 %	2.7 %
1988	12,538	0.4 %	8.8 %	9.2 %
1989	13,955	2.5 %	8.8 %	11.3 %
1990	15,045	(1.2) %	9.0 %	7.8 %
1991	17,875	11.3 %	7.5 %	18.8 %
1992	19,251	0.4 %	7.3 %	7.7 %
1993	22,131	8.6 %	6.4 %	15.0 %
1994	20,991	(12.1) %	6.9 %	(5.2) %
1995	25,025	13.1 %	6.1 %	19.2 %

$100 invested each month*

The accompanying graph and chart illustrate how $100 per month invested for 10 years would be worth over $20,200 in Investors Government Bond Fund today.



Year Ending Dec. 31	Cumulative Contributions	Cumulative Dividends Reinvested	Closing Unit Price	Closing Market Value
1986	$ 1,200	$ 86	$ 4.44	$ 1,285
1987	2,400	260	4.19	2,554
1988	3,600	559	4.20	4,040
1989	4,800	1,002	4.28	5,770
1990	6,000	1,599	4.21	7,524
1991	7,200	2,302	4.63	10,275
1992	8,400	3,237	4.59	12,326
1993	9,600	4,250	4.92	15,475
1994	10,800	5,275	4.36	15,880
1995	12,000	6,435	4.88	20,261

Investors Government Bond Fund

Statement of Investments

as at December 31, 1995

	Par Value	Average Cost (in thousands)	Market Value (in thousands)
Federal Government			
Government of Canada			
10.50% 07-01-00	$ 53,275,000	$ 59,423	$ 61,399
7.50% 03-01-01	200,467,000	204,029	208,225
8.50% 04-01-02	77,300,000	77,834	83,986
7.25% 06-01-03	30,911,000	27,411	31,437
7.50% 12-01-03	53,669,000	52,467	55,279
9.00% 12-01-04	158,190,000	171,807	178,122
10.00% 06-01-08	66,666,000	77,041	81,199
9.00% 03-01-11	20,100,000	20,707	22,954
9.00% 06-01-25	70,561,000	74,722	82,211
		765,441	804,812
Federal Government - Foreign			
Japan Finance Corporation for Municipal Enterprises 8.50% 03-04-03 Euro-Cdn	17,000,000	15,760	18,026
Kansai International Airport Company, Ltd. 8.00% 07-02-03 Euro-Cdn	10,000,000	9,123	10,332
Republic of Finland 9.50% 09-15-04 Euro-Cdn	20,000,000	21,111	22,312
		45,994	50,670
Provincial			
Newfoundland and Labrador Hydro			
9.875% 07-15-96	8,300,000	8,207	8,472
10.50% 06-15-14	13,580,000	15,331	16,405
10.25% 07-14-17	31,250,000	33,475	37,391
Province of Newfoundland			
12.875% 04-06-03 callable 04-06-01 @ par	10,050,000	12,098	12,432
8.75% 05-12-03 Euro-Cdn	12,643,000	12,845	13,202
8.55% 02-05-96 Ext. 08-05-04	7,100,000	7,459	7,853
11.00% 03-04-06 callable 03-04-03	5,000,000	5,491	5,842
9.375% 02-25-10	4,600,000	4,550	5,076
Ontario Hydro			
5.910% F/R 03-16-99 Global	50,000,000	49,758	49,840
9.625% 08-03-99	43,466,000	46,344	47,747
7.75% 11-03-05	26,145,000	26,365	26,864
Province of Ontario			
10.875% 01-10-01	36,623,000	40,214	42,849
9.50% 07-13-22	38,950,000	40,967	45,493
Province of Prince Edward Island			
9.375% 06-15-04	6,100,000	5,919	6,801
10.625% 04-03-06 callable 04-03-03	10,000,000	11,253	11,635
11.50% 08-16-10	5,000,000	5,841	6,475
Province of Saskatchewan			
10.00% 01-18-10	14,500,000	14,329	17,161
10.25% 04-10-14	28,364,000	28,222	34,817
		368,668	396,355
Municipal			
Regional Municipality of Durham 12.00% 12-07-00	5,000,000	4,986	6,070
City of Edmonton			
10.25% 03-01-08 Ret. 10.25% 03-01-98	4,000,000	3,872	4,844
11.50% 12-13-10	3,400,000	3,778	4,468
9.625% 02-13-12	10,000,000	9,960	11,405
9.00% 03-25-13	10,000,000	11,400	10,890
The Regional Municipality of Hamilton-Wentworth 10.00% 03-01-98	5,000,000	5,045	5,365
Nova Scotia Municipal Finance Authority 10.00% 07-22-96	2,500,000	2,500	2,555
The Regional Municipality of Ottawa-Carleton			
9.625% 05-15-06 Euro-Cdn	2,500,000	2,299	2,841
10.625% 05-31-09	2,000,000	2,027	2,440
9.875% 04-15-12	5,000,000	4,989	5,900

	Par Value	Average Cost (in thousands)	Market Value (in thousands)
Municipal (continued)			
The Municipality of Metropolitan Toronto 10.375% 09-04-01	$ 6,085,000	$ 6,615	$ 7,031
City of Vancouver 9.375% 06-17-96	4,700,000	4,653	4,776
City of Winnipeg			
9.75% 08-01-96	8,500,000	8,972	8,685
10.25% 02-23-03 Ret. 02-23-98	5,650,000	5,615	6,565
8.875% 02-19-02	12,000,000	11,778	12,972
10.00 % 12-14-09	3,500,000	3,764	4,072
8.00% 01-20-14	10,000,000	10,000	10,030
9.125% 05-12-15	10,000,000	9,980	11,130
Regional Municipality of York 11.75% 04-17-00	10,000,000	9,942	11,785
		122,175	133,824
Corporate - Non Convertible			
BC Gas Utility Limited 9.80% 02-09-05	10,000,000	9,919	11,350
BC Tel 11.90% 11-22-15 Debs., Series 2	5,700,000	5,691	7,832
Bell Canada 9.375% 05-06-06 Euro-Cdn	10,000,000	10,365	10,425
Bank of Montreal			
10.25% 05-01-02 Private Placement	15,000,000	16,439	17,355
10.85% 12-20-08	6,000,000	6,970	7,482
The Bank of Nova Scotia			
10.35% 07-19-01 Debs	10,350,000	9,429	11,871
8.30% 09-27-13	7,000,000	6,965	7,210
Canadian Imperial Bank of Commerce 9.65% 10-31-14	10,006,000	10,001	11,577
Canadian Utilities Limited			
9.85% 10-01-06	9,480,000	9,270	10,519
10.20% 11-30-09	5,000,000	5,110	5,990
The New Brunswick Telephone Company, Limited			
10.00% 09-16-06 Series T	3,000,000	2,988	3,309
11.125% 07-19-13	4,000,000	4,000	4,920
Newfoundland Telephone Company			
8.40% 05-10-00	7,500,000	7,473	7,905
9.75% 05-06-06	4,000,000	3,668	4,337
Nova Scotia Power Corporation			
9.75% 08-02-19	4,500,000	4,442	5,218
The Royal Bank of Canada			
11.00% 01-11-02	12,000,000	12,666	14,304
11.00% 07-01-00 Private Series AIR	10,000,000	11,070	11,555
11.00% 07-01-00 Private Series AJR	10,000,000	11,070	11,555
		147,536	164,714
Total Investments		$ 1,449,814	$ 1,550,375

Net Assets:	
Total investments	$ 1,550,375
Short term debt instruments	61,716
Cash and other net assets	23,820
	$ 1,635,911

See accompanying notes to financial statements.

100% RRSP eligible

Investors Corporate Bond Fund

Investors Corporate Bond Fund provides investors with a high level of current income and potential capital growth by investing in high-quality bonds issued by established Canadian corporations.

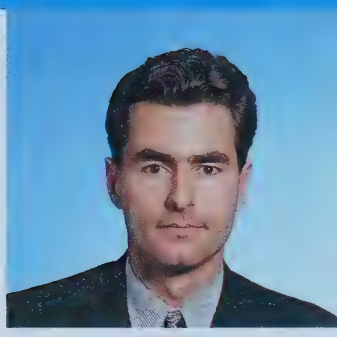
Performance

Corporate bonds performed well in 1995 as corporations recorded record profits and investor demand outpaced new corporate bond issuance. Investors Corporate Bond Fund's investment activity during the first half of 1995 focused on reducing the large holdings of short term corporate bonds and consolidating overall corporate holdings. The Fund was well positioned during the second half of the year to benefit from the bond market rally which began in August.

Holdings of higher quality corporate bonds such as those issued by banks and utilities were sold during the year as they became overpriced relative to other sectors of the market. The proceeds from these sales were reinvested in corporate issues that provided higher yields and better long term return prospects.

Outlook

The outlook for the the corporate bond market remains favourable as rising corporate profitability and strong investor demand for corporate bonds should continue in 1996. Investment strategy will focus on maintaining a diversified portfolio of mid-term corporate bonds in order to maximize the Fund's current income and minimize the overall level of credit risk exposure. Investors Corporate Bond Fund is well positioned for the type of interest environment anticipated in 1996, given its slightly defensive nature due to its medium term positioning and high current income.



Paul W. Hancock
Portfolio Manager,

Investors Corporate Bond Fund has been managed since its inception in 1994 by Paul Hancock. Paul, a Chartered Financial Analyst, joined Investors Group in 1990. He also holds Bachelor of Arts and Master of Business Administration degrees.

Performance Highlights*

1 yr

17.76 %

Inflation**

1.7 %

* Returns are compound rates of return and do not include acquisition or redemption fees but are net of management fees and include reinvestment of all income. Effective October 1, 1994, the Fund's management fee was reduced by .10% to 1.65%, which increased the Fund's performance. Also on October 1, 1994, the Fund became responsible for the payment of its own day-to-day operating expenses, which decreased the Fund's performance. These illustrations are intended to show the historical growth pattern of the Fund, and offer no indication of what its future performance will be.

** As measured by the Consumer Price Index, December 31, 1995.

Financial Highlights*

Total net assets	$ 690,391,938
Number of Unitholders	11,009
Asset value per unit:	
High	$ 10.79
Low	$ 9.60
Close	$ 10.63
Capital gains distributed per unit	$ 0.168
Capital gains distributed	$ 10,649,646
Income distributed per unit	$ 0.691
Income distributed	$ 41,492,056

Asset Mix

Investors Corporate Bond Fund invests primarily in high-quality corporate bonds issued by some of Canada's strongest companies. The Fund may also invest in Canadian government bonds.

1	**Bonds**	**91.8 %**
	Corporate Bonds	73.1 %
	Government of Canada Bonds	13.3 %
	Provincial Bonds	5.4 %
2	**Cash**	**8.2 %**

Investors Corporate Bond Fund

Statement of Investments

as at December 31, 1995

		(in thousands)		
	Par Value	Average Cost	Market Value
Federal			
Government of Canada			
7.75% 09-01-99	$ 5,429,000	$ 5,629	$ 5,674
8.50% 03-01-00	15,700,000	16,332	16,847
10.50% 03-01-01	35,500,000	40,879	41,411
10.00% 06-01-08	10,000,000	11,412	12,180
8.00% 06-01-23	15,000,000	14,115	15,720
		88,367	91,832
Provincial			
Province of Prince Edward Island			
9.75% 04-30-02	5,000,000	5,095	5,635
Province of Saskatchewan			
10.75% 06-01-01	7,200,000	7,803	8,381
Newfoundland and Labrador Hydro			
10.75% 09-17-01	9,830,000	10,426	11,457
10.25% 07-14-17	10,000,000	11,061	11,965
		34,385	37,438
Corporate			
Alberta Natural Gas Company Ltd.			
8.40% 07-15-03	11,000,000	10,302	11,550
Bank of Montreal 8.80% 09-13-05	17,500,000	17,476	19,040
BCE Inc. 10.375% 06-28-96 Euro-Cdn	4,000,000	4,044	4,076
BC Gas Utility Limited			
8.15% 07-28-03	5,000,000	4,543	5,192
9.80% 02-09-05	10,000,000	10,111	11,350
10.30% 09-30-16	5,500,000	5,709	6,644
Bell Mobility Cellular Inc.			
8.30% 10-23-98 Unsec. Debs. Series D Private Placement	10,000,000	9,459	10,430
Centra Gas Manitoba Inc.			
8.50% 09-18-02 Private Placement	3,500,000	3,278	3,689
Centra Gas Ontario Inc. 8.85% 09-01-05	10,000,000	9,820	10,750
Continental Lime Ltd.			
11.94% 09-30-06 Series A Secured	4,162,500	4,448	5,099
Finning Ltd. 8.35% 03-22-04	7,500,000	6,720	7,778
General Motors Acceptance Corporation of Canada, Limited			
6.80% 08-27-96 Medium Term Notes	6,600,000	6,357	6,627
7.875% 08-08-97 Medium Term Notes	5,000,000	4,989	5,110
Hammerson Canada Inc.			
10.25% 04-01-02	12,500,000	12,454	14,013
J.P. Morgan & Co. Incorporated			
6.875% 03-17-04	25,000,000	20,802	23,531
Markborough Properties Inc.			
10.45% 01-15-97	4,100,000	4,184	4,231
10.75% 05-19-98 First Mtge. Private Placement	4,818,000	4,946	5,088
Market Mall			
10.55% 10-29-01 Private Placement	1,650,000	1,652	1,790
National Trust Company			
11.60% 07-04-01 Private Placement	7,500,000	8,018	8,828
10.70% 10-30-99 Private Placement	7,775,000	8,278	8,661
New Court Credit Group Inc.			
7.90% 08-15-00 Medium Term Notes	10,000,000	9,840	10,230
8.25% 10-10-02 Medium Term Notes	5,000,000	4,985	5,180
Newfoundland Telephone Company			
8.40% 05-10-00	7,500,000	7,473	7,905
Noranda Forest Inc. 11.00% 07-15-98	10,000,000	10,888	10,990
Nova Corp. Realty Finance Ltd.			
11.25% 12-31-97	15,000,000	15,204	15,150
Nova Gas Transmission Ltd.			
8.50% 05-25-05	5,000,000	4,983	5,295
8.90% 05-27-25	5,000,000	4,969	5,380
10.75% 04-14-99	10,000,000	10,425	11,140
12.20% 02-28-16	10,000,000	12,090	13,930
Petro-Canada 9.375% 06-24-97	10,000,000	10,015	10,430
Sherritt Inc. 11.00% 03-31-04	5,000,000	5,326	5,385
Sun Life Assurance Company of Canada			
8.49% 07-28-05 Sub. Deb. Private Placement	30,000,000	30,125	31,710

		(in thousands)	
	Par Value	Average Cost	Market Value
Corporate (continued)			
The Royal Bank of Canada			
10.20% 10-14-99 Deb.	$ 6,600,000	$ 6,808	$ 7,366
11.00% 01-11-02	12,000,000	13,521	14,304
11.75% 01-31-01	6,000,000	6,600	7,212
Talisman Energy Inc.			
9.80% 12-22-04	7,500,000	7,448	8,520
9.66% 03-25-02	5,000,000	5,000	5,560
Telsat Canada Inc.			
7.50% 10-20-98 Euro-Cdn	7,500,000	7,407	7,590
Thomson Corp.			
10.55% 05-10-01	6,000,000	6,432	6,918
7.95% 11-15-05	21,500,000	21,444	22,102
Toronto-Dominion Bank			
8.75% 12-30-01	6,675,000	6,669	6,849
TransCanada PipeLines Limited			
10.80% 07-20-02	6,700,000	7,095	7,893
9.30% 03-09-05	15,000,000	15,000	16,605
10.625% 10-20-09	10,000,000	11,219	12,124
11.90% 08-20-15	10,500,000	12,369	14,290
Union Gas Limited			
9.70% 11-06-17	10,500,000	11,826	12,106
8.75% 08-03-18	7,500,000	6,743	7,927
Westcoast Energy Inc.			
10.375% 11-01-99	8,650,000	8,944	9,636
9.70% 11-15-04	6,500,000	6,507	7,372
12.55% 11-15-10	7,000,000	9,306	9,716
8.30% 12-30-13	5,000,000	4,338	5,070
9.90% 01-10-20	7,000,000	7,533	8,232
Westcoast Transmission Ltd.			
11.30% 11-24-97	1,000,000	1,072	1,083
		467,194	504,677
Total Investments		$ 589,946	$ 633,947

Net Assets:	
Total investments	$ 633,947
Short debt instruments	44,600
Cash and other net assets	11,845
	$ 690,392

See accompanying notes to financial statements.

100% RRSP eligible

Investors Dividend Fund

Investors Dividend Fund provides current income and potential capital growth by investing in high-yielding stocks, preferred shares, and government-guaranteed bonds.

Performance

Falling interest rates throughout much of the last 12 months resulted in improved Fund performance as the period progressed. The Fund's investments in high-yielding common stocks, preferred shares, and government bonds benefited from price appreciation in the declining-rate environment.

The Fund's equity component was well positioned to take advantage of declining rates through its concentration on interest-sensitive shares such as banks, utilities, and pipelines. Common share holdings were increased over the course of the year with the purchase of high-yielding issues that helped diversify the Fund's holdings.

Toward year-end, investment activity was driven by the need to meet redemptions, while maintaining the equilibrium of interest income to expenses. Investment activity focused on minimizing the impact on shareholders of income distributions from the sale of preferred and common shares.

Outlook

Because the Fund continues to experience net cash outflows, investment activity in the early part of 1996 will be driven by redemption requirements. Redemptions will be met in a manner that continues to permit the Fund's interest income level to at least equal its expense level.

Tighe A. McManus
Vice-President,
Portfolio Manager

Investors Dividend Fund has been managed by Tighe McManus since 1985. Tighe, a Chartered Financial Analyst, joined Investors Group in 1977 as an investment analyst after completing his Bachelor of Arts (Honours) degree in economics and commerce and his Master of Business Administration degree.

Performance Highlights*

1 yr	3 yr	5 yr	10 yr
10.29 %	8.26 %	9.14 %	7.85 %
Inflation**			
1.7 %	1.2 %	1.9 %	3.2 %

* Returns are compound rates of return and do not include acquisition or redemption fees but are net of management fees and include reinvestment of all income. Effective October 1, 1994, the Fund became responsible for the payment of a service fee and for its own day-to-day operating expenses. Effective January 1, 1995, the Fund began to operate as a unit trust and began to pay a trustee fee. These changes decreased the Fund's performance. These illustrations are intended to show the historical growth pattern of the Fund, and offer no indication of what its future performance will be.

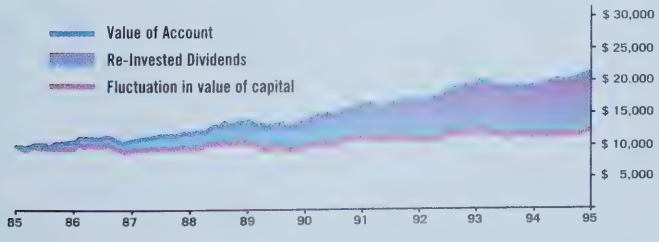
** As measured by the Consumer Price Index, December 31, 1995.

Financial Highlights*

Total net assets	$ 2,450,057,678
Number of Unitholders	55,719
Asset value per unit:	
High	$ 11.27
Low	$ 10.19
Close	$ 11.12
Income distributed per unit	$ 0.493
Income distributed	$ 106,969,230

$10,000 invested at start of period*

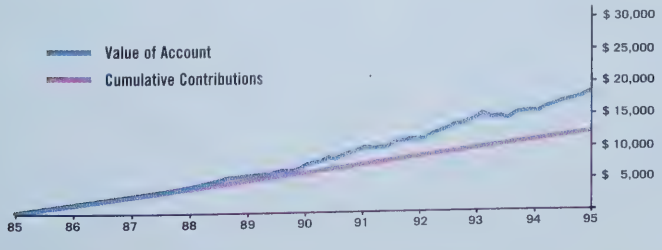
The accompanying graph and chart show the growth of Investors Dividend Fund over the past ten years. They both illustrate how an initial investment of $10,000 in 1985 is now valued at over $21,200.



Year Ending Dec. 31	Market Value of account	Year over year rate of return Capital	Income	Total
1985	$ 10,000	–	–	–
1986	10,489	(1.8) %	6.7 %	4.9 %
1987	10,579	(5.9) %	6.8 %	0.9 %
1988	11,885	6.1 %	6.2 %	12.3 %
1989	13,605	8.7 %	5.8 %	14.5 %
1990	13,741	(5.1) %	6.1 %	1.0 %
1991	16,366	13.7 %	5.4 %	19.1 %
1992	16,771	(2.8) %	5.3 %	2.5 %
1993	19,589	12.5 %	4.3 %	16.8 %
1994	19,297	(6.6) %	5.1 %	(1.5) %
1995	21,282	5.9 %	4.4 %	10.3 %

$100 invested each month*

The accompanying graph and chart illustrate how $100 per month invested for 10 years would be worth over $18,400 in Investors Dividend Fund today.



Year Ending Dec. 31	Cumulative Contributions	Cumulative Dividends Reinvested	Closing Unit Price	Closing Market Value
1986	$ 1,200	$ 48	$ 9.02	$ 1,249
1987	2,400	171	8.53	2,428
1988	3,600	376	8.99	3,993
1989	4,800	671	9.70	5,852
1990	6,000	1,056	9.21	7,167
1991	7,200	1,540	10.36	9,858
1992	8,400	2,088	10.08	11,326
1993	9,600	2,666	11.25	14,542
1994	10,800	3,415	10.55	15,529
1995	12,000	4,191	11.12	18,407

Investors Dividend Fund

Statement of Investments

as at December 31, 1995

Bonds	Par Value	Average Cost (in thousands)	Market Value (in thousands)
Federal Government			
Government of Canada			
9.25% 05-01-96	$ 21,000,000	$ 21,136	$ 21,237
10.75% 03-15-98	71,700,000	75,106	78,619
13.75% 03-15-00	10,000,000	12,328	12,610
10.50% 07-01-00	70,000,000	74,270	80,675
11.50% 09-01-00	17,000,000	18,962	20,315
13.00% 05-01-01	10,000,000	12,650	12,770
9.00% 12-01-04	15,000,000	15,657	16,890
		230,109	243,116
Provincial			
Direct			
Province of Manitoba			
9.25% 05-21-97	10,000,000	10,055	10,450
11.00% 08-15-00	15,000,000	15,228	17,550
Province of Ontario			
10.75% 05-01-96	35,000,000	35,646	35,567
10.25% 10-03-96	20,000,000	20,390	20,639
10.875% 01-10-01	20,000,000	21,290	23,400
Province of Saskatchewan			
10.75% 02-21-96	23,000,000	23,414	23,142
9.875% 07-06-99	13,000,000	12,897	14,346
11.00% 01-09-01	10,000,000	10,645	11,740
		149,565	156,834
Guaranteed			
Ontario Hydro			
9.00% 04-22-96	25,000,000	23,110	25,245
10.25% 07-12-98	50,000,000	51,525	54,680
9.625% 08-03-99	30,000,000	30,420	32,955
9.75% 06-27-08 Series BA6	10,000,000	9,860	10,950
		114,915	123,830
		264,480	280,664

Preferred Stock	No. of Shares	Average Cost (in thousands)	Market Value (in thousands)
Perpetual - Floating			
The Bank of Nova Scotia F/R Pfd. Series 1 $25 pv (70% of prime)	1,330,800	29,610	31,107
Canadian Imperial Bank of Commerce F/R Class A Pfd. Series 5 $25 pv (69% of prime)	600,000	13,425	14,025
MacMillan Bloedel Limited 9.25% Cum. Red. Class B Series 8 $ 25 pv (73% of prime)	200,000	4,138	4,350
F/R Cum. Red. Class B Pfd. Series 10 $25 pv (73% of prime)	240,000	5,640	6,090
The Royal Bank of Canada Price Adjusted F/R First Pfd. Series E $100 pv (65% of prime)	150,000	14,175	14,447
The Thomson Corporation F/R Cum. Red. Pfd. Series II $25 pv (70% of prime)	600,000	12,150	13,275
		79,138	83,294
Perpetual			
Bank of Montreal			
$2.25 Non-cum. Class B Pfd. Series 1 $25 pv	1,100	29	33
9.00% Non-cum. Class A Pfd. Series 4 $25 pv	461,500	11,638	13,384
The Bank of Nova Scotia			
6.75% Non-cum. Pfd. Series 9 $25 pv	1,000,000	25,000	25,000
7.00% Non-cum. Pfd. Series 8 $25 pv	900,000	22,500	23,850
7.15% Non-cum. Red. Pfd. Series 6 $25 pv	1,200,000	30,081	32,400
9.25% Non-cum. Pfd. Series 5 $25 pv	214,600	5,429	5,847
B C Tel 5.75% Pfd. $100 pv	9,465	662	797
BCE Inc. $ 1.60 Cum. Red. First Pfd., Series P $25 pv	1,600,000	38,800	41,200

Preferred Stock (continued)	No. of Shares	Average Cost (in thousands)	Market Value (in thousands)
Perpetual (continued)			
Canadian Imperial Bank of Commerce 7.00% Non-cum. Pfd. Series 13 $25 pv	800,000	$ 20,012	$ 22,000
8.85% Non-cum. Class A Pfd. Series 11 $25 pv	600,000	15,124	16,350
9.10% Non-cum. Class A Pfd. Series 9 $25 pv	280,000	7,080	7,997
Canadian Utilities Limited 7.10% Cum. Red. Second Pfd. Series N $25 pv	400,000	10,015	10,000
7.30% Cum. Red. Second Pfd. Series C $25 pv	71,800	1,691	1,939
7.70% Cum. Red. Second Pfd. Series L $25 pv	213,500	5,362	5,404
Centra Gas Ontario Inc. 7.85% Cum. Red. Second Pfd. Series A $25 pv	61,000	1,452	1,525
Dofasco Inc. $2.60 Cum. Red. Conv. Class C Pfd. Series 1 $32.50 pv	731,500	22,768	23,774
Minorco Canada Limited 6.00% Cum. Red. Series A Pfd. $100 pv	3,000	219	234
6.25% Cum. Red. Series B Pfd. $100 pv	3,000	224	241
Newfoundland Light & Power Company Ltd. 7.25% Cum. Red. Voting First Pfd. Series D $10 pv	23,000	198	230
7.60% Cum. Red. Voting First Pfd. Series G $10 pv	48,000	413	480
Nova Scotia Power Inc. 6.00% Cum. Red. First Pfd. Series A $25 pv	800,000	18,800	20,400
Quebec-Telephone 4.75% Cum. Red. 1965 Series $20 pv	40,000	441	560
The Royal Bank of Canada 7.10% Non-cum. First Pfd. Series J $25 pv	780,000	19,185	21,060
9.00% Non-cum. Red. First Pfd. Series F $25 pv	443,600	12,307	12,864
The Toronto-Dominion Bank 7.10% Non-cum. Class A First Pfd. Series H $25 pv	700,000	17,500	19,250
TransAlta Utilities Corporation 7.00% Series Cum. Red. Voting First Pfd. $100 pv	5,000	443	500
7.08% Cum. Red. First Pfd. $25 pv	400,000	10,003	10,000
7.10% Cum. Red. First Pfd. $25 pv	300,000	7,504	7,688
7.20% Cum. Red. First Pfd. $25 pv	400,000	10,006	10,450
7.30% First Pfd. $100 pv	35,600	3,112	3,560
7.44% Cum. Red. First Pfd. $100 pv (1977 Series)	27,200	2,555	2,720
7.44% Cum. Red. First Pfd. $100 pv (1979 Series)	14,800	1,294	1,480
7.50% Cum. Red. First Pfd. $100 pv	23,200	2,119	2,378
7.70% Cum. Red. First Pfd. $100 pv	12,400	1,116	1,240
8.40% Cum. Red. First Pfd. $25 pv	417,600	10,433	11,067
TransCanada PipeLines Limited $2.80 Cum. Red. First Pfd. $50 pv	8,500	289	354
5.95% Cum. Red. First Pfd. Series R $50 pv	150,000	7,500	7,556
7.75% Cum. Red. First Pfd. Series P $50 pv	240,000	12,063	13,080
7.90% Cum. Red. First Pfd. Series O $50 pv	295,000	14,837	16,078
Union Gas Limited 5.00% Cum. Red. Class A Series C $50 pv	10,000	299	375
7.00% Cum. Red. Class B Series 3 $20 pv	82,285	1,477	1,584
Westcoast Energy Inc. 6.90% Cum. Red. First Pfd. Series 4 $25 pv	425,000	10,519	11,103
8.08% Cum. First Pfd. Series 2 $25 pv	480,000	12,049	12,840
		394,548	420,872

Investors Dividend Fund

Statement of Investments

as at December 31, 1995

	No. of Shares	Average Cost (in thousands)	Market Value (in thousands)
Preferred Stock (continued)			
Retractable			
Bell Canada			
$1.94 Cum. Red. Ret. Class A Pfd. Series 8 $25 pv (Ret. 12-01-00)	597,600	$ 15,065	$ 16,135
7.44% Cum. Red. Ret. Reset Class A Pfd. Series 10 $25 pv (Ret. 08-15-00)	100,000	2,591	2,888
Canadian Utilities Limited			
5.30% Cum. Red. Ret. Second Pfd. Series R (Ret. 06-01-99)	355,410	8,441	8,930
5.90% Cum. Red. Ret. Second Pfd. Series Q $25 pv (Ret. 12-01-98)	300,000	7,369	7,575
6.60% Cum. Red. Ret. Second Pfd. Series S $25 pv (Ret. 03-01-00)	150,000	3,750	3,844
The Consumers' Gas Company Ltd.			
5.72% Cum. Red. Ret. Pfd. Group 3 Series C $25 pv (Ret. 10-01-98)	120,000	2,940	3,053
6.45% Cum. Red. Ret. Pfd. Group 2 Series C $25 pv (Ret. 07-05-99)	140,000	3,517	3,850
Fortis Inc.			
5.95% Cum. Red. Ret. First Pfd. Shares Series B $25 pv (Ret. 12-01-02)	200,000	5,000	4,988
8.70% Fixed Rate Cum. Red. Ret. First Pfd. Series A $25 pv (Ret. 09-30-97)	200,000	5,053	5,388
TransAlta Utilities Corporation			
8.00% Fixed Rate Cum. Red. Ret. Pfd. $25 pv (Ret. 06-30-96)	400,000	10,097	10,050
TransCanada PipeLines Limited			
9.00% Cum. Red. Ret. First Pfd. Series N $50 pv (Ret. 02-01-96)	125,000	6,287	6,406
Union Gas Limited 6.74% Cum. Red. Ret. Class B Pfd. Series 9 $25 pv (Ret. 01-31-98)	180,000	4,503	4,545
Westcoast Energy Inc. 7.68% Cum. Red. Ret. First Pfd. Series I $25 pv (Ret. 12-31-96 through 98)	123,700	3,127	3,170
		77,615	80,822
		593,331	584,988
Common Stock			
Consumer Products			
Ault Foods Ltd.	168,060	2,778	2,542
Financial Services			
Bank of Montreal	5,592,250	102,578	173,360
The Bank of Nova Scotia	2,648,229	50,986	78,785
Canadian Imperial Bank of Commerce	2,102,026	45,146	85,395
The Royal Bank of Canada	3,100,232	58,470	96,494
The Toronto-Dominion Bank	2,896,200	55,633	69,509
		312,813	503,543
Industrial Products			
Moore Corporation Limited	82,900	2,140	2,124
Nova Corp.	2,672,622	23,687	29,399
		25,827	31,523
Metals & Minerals			
Noranda Inc.	189,060	4,216	5,317
Oil and Gas			
Imperial Oil Limited	35,000	1,443	1,728
Pipelines			
IPL Energy Inc.	2,615,400	74,287	83,366
TransCanada PipeLines Limited	2,812,900	47,208	53,093
Westcoast Energy Inc.	2,075,410	35,823	41,508
		157,318	177,967
Common Stock (continued)			
Utilities			
B C Telecom Inc.	3,744,200	$ 59,564	$ 93,605
BCE Inc.	969,742	41,242	45,820
Canadian Utilities Limited Class A non voting	2,190,700	40,622	56,958
Canadian Utilities Limited Class B voting	512,025	8,699	13,376
The Consumers' Gas Company Ltd.	1,911,000	32,248	34,637
Nova Scotia Power Inc.	5,065,200	54,935	62,682
Telus Corporation	2,635,100	35,227	42,162
TransAlta Corporation	4,899,645	62,955	71,657
		335,492	420,897
		839,887	1,143,517
Total Investments		$ 1,885,807	$ 2,252,285
Net Assets:			
Total investments			$ 2,252,285
Short term debt instruments			164,299
Cash and other net assets			33,474
			$ 2,450,058

See accompanying notes to financial statements.

Investors Global Bond Fund

RRSP foreign content eligible

Chris P. McGinty
Director,
Head of Fixed Interest Investments

Investors Global Bond Fund is managed by I.G. International Management Limited, with input from international adviser Chris McGinty. Chris, who holds an Honours Bachelor of Arts, is Director, Head of Fixed Interest Investments, Murray Johnstone International Ltd. Murray Johnstone, established in 1907, is one of Scotland's largest and most respected independent investment management groups.

Investors Global Bond Fund provides investors with interest income and potential capital growth by investing in high-quality government and corporate bonds of developed countries around the world.

Performance

Global bond markets generally performed well during the last 12 months. However, the volatility of the Canadian dollar had a dramatic impact on the Fund's returns.

Strong bond markets, the strength of the Japanese yen and European currencies, and weakness in the Canadian dollar combined to provide significant foreign exchange gains early in the year. Good global performance continued into the third quarter, but a sharp upswing in the value of the Canadian dollar more than offset gains made by the Fund in international markets. The dollar's subsequent decline prior to the Quebec referendum provided some currency advantages in the final quarter.

Holdings of U.S. bonds were reduced toward mid-year, but were increased on price weakness during the third quarter. Meanwhile, the Fund reduced exposure to yen-denominated assets and pared back European bond holdings.

Outlook

Low inflation, modest economic growth, and declining interest rates have resulted in a promising outlook for most of the world's bond markets in 1996. The global bond market rally should continue, and the Fund should continue to benefit.

Financial Highlights*

Total net assets	$ 282,705,805
Number of Unitholders	10,598
Asset value per unit:	
High	$ 5.70
Low	$ 5.12
Close	$ 5.53
Capital gains distributed per unit	$ 0.029
Capital gains distributed	$ 1,477,593
Income distributed per unit	$ 0.207
Income distributed	$ 10,048,410

Performance Highlights*

1 yr	3 yr
11.33 %	9.19 %
Inflation**	
1.7 %	1.2 %

* Returns are compound rates of return and do not include acquisition or redemption fees but are net of management fees and include reinvestment of all income. Effective October 1, 1994, the Fund's management fee was reduced by .10% to 1.65%, which increased the Fund's performance. Also on October 1, 1994, the Fund became responsible for the payment of its own day-to-day operating expenses, which decreased the Fund's performance. These illustrations are intended to show the historical growth pattern of the Fund, and offer no indication of what its future performance will be.

** As measured by the Consumer Price Index, December 31, 1995.

Asset Mix

Investors Global Bond Fund has 85.1% of assets invested in bonds, 3.0% Canadian dollar reserves, and 11.9% invested in foreign currency deposits. Your investment is in high-quality, government and corporate bonds of developed countries from around the world.

1	**Bonds**	**85.1 %**
	Australia	1.8 %
	Canada	1.8 %
	Denmark	5.4 %
	France	9.3 %
	Germany	12.0 %
	Italy	5.8 %
	Netherlands	4.5 %
	Spain	2.7 %
	United Kingdom	5.9 %
	United States	35.9 %
2	**Foreign Currency Deposits**	**11.9 %**
3	**Reserves, Canadian $**	**3.0 %**

Investors Global Bond Fund

Statement of Investments

as at December 31, 1995

Bonds	Par * Value	Average Cost (in thousands)	Market Value (in thousands)
Australia			
Australian Government Bond			
12.50% 03-15-97	$ 1,650,000	$ 1,730	$ 1,774
9.50% 08-15-03	3,200,000	3,541	3,502
		5,271	5,276
Canada			
Government of Canada			
7.25% 06-01-03	5,000,000	5,053	5,085
Denmark			
Denmark Government Bond			
9.00% 11-15-00	24,400,000	6,024	6,934
8.00% 11-15-01	32,000,000	8,286	8,421
6.125% 04-15-98	7,020,000	6,873	6,977
		21,183	22,332
France			
Caisse Nat D'Aut			
6.25% 10-20-05	8,000,000	1,829	2,144
France Treasury Bill			
8.50% 03-12-97	5,000,000	1,325	1,449
France Government Bond			
4.75% 04-12-99	6,000,000	1,347	1,636
9.50% 01-25-01	20,000,000	5,540	6,433
8.50% 04-25-03	22,500,000	6,637	7,029
5.50% 04-25-04	29,000,000	6,342	7,565
		23,020	26,256
Germany			
German Government Bond			
8.875% 12-20-00	6,320,000	6,947	6,993
8.00% 07-02-02	6,575,000	6,109	7,062
7.50% 11-11-04	6,000,000	5,327	6,284
Treuhandanstalt			
7.375% 12-02-02	6,380,000	5,778	6,641
		24,161	26,980
Italy			
Republic of Italy			
8.50% 08-01-97	6,250,000,000	5,042	5,261
10.00% 08-01-98	4,000,000,000	3,368	3,439
8.50% 01-01-99	4,600,000,000	3,637	3,814
10.00% 08-01-03	4,720,000,000	3,857	3,956
		15,904	16,470
Netherlands			
Netherlands Government Bond			
9.00% 01-15-01	1,450,000	1,291	1,441
8.50% 03-15-01	3,500,000	2,883	3,418
7.00% 02-15-03	8,510,000	7,059	7,814
		11,233	12,673
Spain			
Spanish Government Bond			
12.25% 03-25-00	615,000,000	7,162	7,613
United Kingdom			
United Kingdom Treasury Bond			
8.00% 09-27-13	470,000	984	1,111
9.00% 03-03-00	3,050,000	6,720	6,988
6.75% 11-26-04	2,525,000	4,919	5,119
9.00% 10-13-08	1,420,000	3,296	3,357
		15,919	16,575
United States			
United States Treasury Bond			
6.75% 05-31-99	$ 10,000,000	$ 13,742	$ 14,245
6.50% 05-15-05	9,900,000	13,371	14,316
9.00% 05-15-98	5,000,000	7,095	7,393
7.50% 10-31-99	5,000,000	6,734	7,319
8.50% 02-15-00	10,000,000	14,032	15,207
7.875% 08-15-01	7,000,000	10,060	10,663
7.25% 05-15-16	10,000,000	13,950	15,534
5.875% 05-31-96	4,200,000	5,679	5,750
Electric Power Development Bond			
8.125% 12-09-99	6,500,000	8,867	9,596
Wal-Mart Bond			
6.875% 06-30-99	1,000,000	1,369	1,417
		94,899	101,440
Total Investments		$ 223,805	$ 240,700

Net Assets:	
Total investments	$ 240,700
Short term debt instruments	2,782
Cash and other net assets	39,224
	$ 282,706

* *See Note 13 to the financial statements.*

See accompanying notes to financial statements.

Statements of Net Assets

as at the dates noted

(in thousands of dollars)

	Investors Money Market Fund		Investors Mortgage Fund	
	December 31 1995	December 31 1994	December 31 1995	December 31 1994
	$	$	$	$
Assets:				
Investments, at market value	536,358	402,540	2,999,806	2,967,262
Short term debt instruments	-	-	36,100	8,455
Accrued interest and dividends receivable	7,400	3,011	950	11,076
Mortgage interest receivable	-	-	13,996	14,561
Real estate acquired through foreclosure	-	-	6,602	10,892
Rent receivable	-	-	-	-
Taxes receivable (payable) *(note 2)*	-	-	-	-
Due from brokers	-	-	-	-
Due from (to) Portfolio Funds	-	-	1,329	(3,929)
Other assets	-	-	2,545	12,415
	7,400	3,011	61,522	53,470
Total assets	543,758	405,551	3,061,328	3,020,732
Liabilities:				
Outstanding cheques less bank deposits and cash in transit	4,154	4,643	9,160	9,664
Due to brokers	-	-	-	-
Accrued expense	72	93	375	476
Accounts payable	226	52	1,430	1,068
Allowance for mortgage loan and real estate losses	-	-	5,949	4,130
Long term debt *(note 10)*	-	-	-	-
Purchase option liability *(note 11(b))*	-	-	-	-
Property tax reserves	-	-	13,432	14,082
Other liabilities	-	-	-	137
Total liabilities	4,452	4,788	30,346	29,557
Net assets representing unitholders' equity	539,306	400,763	3,030,982	2,991,175
Average cost of investments	536,358	402,540	2,972,734	3,087,270

Investors Real Property Fund		Investors Government Bond Fund		Investors Corporate Bond Fund		Investors Dividend Fund		Investors Global Bond Fund	
		(note 14)				*(note 1(b))*			
December 31 1995	December 31 1994	December 31 1995	December 31 1994	December 31 1995	December 31 1994	December 31 1995	November 30 1994	December 31 1995	December 31 1994
$	$	$	$	$	$	$	$	$	$
295,353	296,742	1,550,375	1,279,853	633,947	512,562	2,252,285	2,172,576	240,700	249,301
109,171	112,285	61,716	70,170	44,600	18,701	164,299	147,921	2,782	9,651
515	958	32,789	33,963	16,930	16,217	32,234	20,922	5,977	6,693
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
1,156	1,288	-	-	-	-	-	-	-	-
(1)	(4)	-	-	-	-	-	(1,293)	281	277
-	-	-	-	-	1,924	6,560	6,005	-	-
1,699	(679)	(6,526)	(5,816)	(4,518)	6,399	2,802	-	1,446	(880)
-	-	-	-	-	-	-	-	-	-
112,540	113,848	87,979	98,317	57,012	43,241	205,895	173,555	10,486	15,741
407,893	410,590	1,638,354	1,378,170	690,959	555,803	2,458,180	2,346,131	251,186	265,042
444	1,753	2,184	1,994	204	(2)	6,865	8,623	(31,632)	(6,124)
-	-	-	-	-	-	-	3,750	-	14,121
517	672	(137)	224	100	(22)	403	1,059	81	108
-	24	396	563	263	20	854	1,054	27	144
-	-	-	-	-	-	-	-	-	-
56,994	68,434	-	-	-	-	-	-	-	-
5,039	4,891	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
1,766	2,866	-	-	-	-	-	-	4	-
64,760	78,640	2,443	2,936	567	(4)	8,122	14,486	(31,520)	8,249
343,133	331,950	1,635,911	1,375,140	690,392	555,807	2,450,058	2,331,645	282,706	256,793
332,488	333,873	1,449,814	1,294,188	589,946	514,716	1,885,807	1,938,909	223,805	246,236

On behalf of the Trustee:
Investors Group Trust Co. Ltd.

Director

Director

See accompanying notes to financial statements.

Statements of Operations

for the periods ended at the dates noted

(in thousands of dollars)

	Investors Money Market Fund		Investors Mortgage Fund	
	December 31 1995	December 31 1994	December 31 1995	December 31 1994
	$	$	$	$
Investment income:				
Dividends	-	-	-	-
Interest	33,812	19,684	29,676	106,612
Mortgage interest	-	-	219,735	188,754
Net property income *(note 11(a))*	-	-	-	-
	33,812	19,684	249,411	295,366
Expense: *(note 5)*				
Management fees	4,794	3,527	49,651	60,478
Net service fees	-	-	-	-
Unitholder services	-	-	5,294	1,545
Audit fees	9	16	23	22
Custodian fees	13	14	15	84
Directors fees and expense	-	-	-	-
Goods and services tax	357	267	3,973	4,497
Legal fees	3	-	3	-
Registration fees and expenses	-	-	122	26
Trustee fees	240	176	1,505	1,754
Unitholder reporting expenses	61	70	292	371
Other expenses	5	11	12	69
	5,482	4,081	60,890	68,846
Income before taxes	28,330	15,603	188,521	226,520
Income & withholding taxes *(note 2)*	-	-	-	-
Net income *(note 4)*	28,330	15,603	188,521	226,520
Distributed to unitholders *(notes 3 & 4)*	28,330	15,603	188,521	226,520
Realized profit (loss) from investments and foreign exchange				
Proceeds from sales	-	-	489,186	1,314,532
Cost of investments sold	-	-	497,373	1,358,185
Net realized profit (loss)	-	-	(8,187)	(43,653)
Net profit (loss) from foreign exchange	-	-	-	-
Net profit (loss) from sale of properties	-	-	-	-
Net profit (loss) from premiums and discounts on mortgages	-	-	(327)	(634)
Net profit (loss) from real estate acquired through foreclosure	-	-	(2,541)	(4,132)
Total realized profit (loss) from investments and foreign exchange	-	-	(11,055)	(48,419)
Unrealized appreciation (depreciation) beginning of period	-	-	(120,008)	119,123
Net unrealized appreciation (depreciation)	-	-	147,080	(239,131)
Net unrealized appreciation (depreciation) from foreign exchange on cash and short-term debt instruments	-	-	-	-
Unrealized appreciation (depreciation) end of period	-	-	27,072	(120,008)

Investors Real Property Fund		Investors Government Bond Fund		Investors Corporate Bond Fund		Investors Dividend Fund		Investors Global Bond Fund	
		(note 14)		*(note 1(b))*		*(note 1(b))*			
December 31 1995	December 31 1994	December 31 1995	December 31 1994	December 31 1995	December 31 1994	December 31 1995	November 30 1994	December 31 1995	December 31 1994
$	$	$	$	$	$	$	$	$	$
52	52	-	-	-	-	104,731	110,041	-	-
7,524	10,305	128,263	144,467	53,991	2,509	58,873	58,511	16,636	11,757
-	-	-	-	-	-	-	-	-	-
21,309	14,539	-	-	-	-	-	-	-	-
28,885	24,896	128,263	144,467	53,991	2,509	163,604	168,552	16,636	11,757
6,685	7,571	25,089	29,074	10,150	514	46,989	50,947	5,052	3,271
83	-	-	-	-	-	321	-	-	-
579	158	2,646	717	1,073	52	4,104	733	446	99
20	22	15	15	13	13	15	15	10	15
6	9	48	49	28	4	12	17	73	80
-	-	-	-	-	-	-	14	-	-
75	51	2,005	2,160	814	42	3,673	3,638	402	251
3	-	3	-	3	-	3	-	3	-
23	1	91	11	34	1	125	-	33	2
167	189	760	843	307	15	1,175	-	133	83
24	37	91	165	57	7	181	252	32	45
287	163	28	25	20	5	32	29	5	5
7,952	8,201	30,776	33,059	12,499	653	56,630	55,645	6,189	3,851
20,933	16,695	97,487	111,408	41,492	1,856	106,974	112,907	10,447	7,906
-	-	-	-	-	-	52	(2,414)	(257)	(176)
20,933	16,695	97,487	111,408	41,492	1,856	107,026	110,493	10,190	7,730
21,622	17,388	97,487	111,408	41,492	1,856	106,969	108,943	10,048	7,549
155	46	3,406,260	1,838,764	575,814	10,315	202,196	264,621	151,559	120,930
5,518	7,758	3,351,970	1,878,766	561,834	10,378	194,836	237,669	144,043	122,023
(5,363)	(7,712)	54,290	(40,002)	13,980	(63)	7,360	26,952	7,516	(1,093)
-	-	278	197	-	-	-	-	(423)	(1,751)
-	(37)	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
(5,363)	(7,749)	54,568	(39,805)	13,980	(63)	7,360	26,952	7,093	(2,844)
(37,132)	(33,290)	(14,335)	151,741	(2,154)	-	239,480	366,705	3,189	3,906
(3)	(3,842)	114,896	(166,076)	46,155	(2,154)	126,998	(133,038)	13,830	(921)
-	-	(229)	-	-	-	-	-	(2,406)	204
(37,135)	(37,132)	100,332	(14,335)	44,001	(2,154)	366,478	233,667	14,613	3,189

See accompanying notes to financial statements.

Statements of Changes in Net Assets

for the periods ended at the dates noted

(in thousands of dollars)

	Investors Money Market Fund		Investors Mortgage Fund	
	December 31 1995	December 31 1994	December 31 1995	December 31 1994
	$	$	$	$
Net assets, beginning of period	400,763	332,332	2,991,175	3,557,241
Net income	28,330	15,603	188,521	226,520
Proceeds from sale of units less commission paid	1,255,388	1,937,007	345,127	601,680
Income reinvested	26,617	14,745	173,564	190,999
Capital gains reinvested	-	-	-	-
Return of capital reinvested	-	-	-	-
Payment on redemption of units	(1,143,462)	(1,883,321)	(613,090)	(1,070,260)
Income distributed to unitholders *(notes 3 & 4)*	(28,330)	(15,603)	(188,521)	(226,520)
Capital gains distributed to unitholders *(note 4)*	-	-	-	-
Return of capital distributed to unitholders	-	-	-	-
Realized profit (loss) from investments and foreign exchange	-	-	(11,055)	(48,419)
Increase in allowance for mortgage loan and real estate losses	-	-	(1,819)	(935)
Net unrealized appreciation (depreciation)	-	-	147,080	(239,131)
Net assets, end of period	539,306	400,763	3,030,982	2,991,175

Statements of Changes in Investments

for the periods ended at the dates noted

(in thousands of dollars)

	Investors Money Market Fund		Investors Mortgage Fund	
	December 31 1995	December 31 1994	December 31 1995	December 31 1994
	$	$	$	$
Investments at average cost, beginning of period	402,540	344,527	3,087,270	3,091,764
Add:				
Cost of investments purchased	10,862,619	14,188,165	16,719	834,721
Amortization of stripped bonds	-	-	237	311
Cost of mortgages acquired	-	-	697,444	847,430
Cost of real estate purchased and capital improvements	-	-	-	-
Deduct:				
Cost of investments sold	10,728,801	14,130,152	497,373	1,358,185
Mortgage principal payments received and transfers to foreclosed property	-	-	331,563	328,771
Investments at average cost, end of period	536,358	402,540	2,972,734	3,087,270

Investors Real Property Fund		Investors Government Bond Fund		Investors Corporate Bond Fund		Investors [illegible]		Investors Global Bond Fund	
		(note 14)		*(note 1(b))*		*(note 1(b))*			
December 31 1995	December 31 1994	December 31 1995	December 31 1994	December 31 1995	December 31 1994	December 31 1995	November 30 1994	December 31 1995	December 31 1994
$	$	$	$	$	$	$	$	$	$
331,950	371,914	1,375,140	1,743,461	555,807	-	2,339,093	2,484,174	256,793	124,194
20,933	16,695	97,487	111,408	41,492	1,856	107,026	110,493	10,190	7,730
29,725	65,079	275,296	276,774	101,508	557,931	336,782	877,801	52,973	191,093
14,748	5,726	77,523	75,471	32,307	1,844	94,058	90,937	7,412	5,968
-	-	-	-	5,221	-	-	-	1,334	-
1,568	-	-	-	-	-	11,280	-	-	-
(27,235)	(98,485)	(261,283)	(514,685)	(53,937)	(1,751)	(454,290)	(1,016,731)	(52,987)	(61,082)
(21,622)	(17,388)	(97,487)	(111,408)	(41,492)	(1,856)	(106,969)	(108,943)	(10,048)	(7,549)
-	-	-	-	(10,649)	-	-	-	(1,478)	-
(1,568)	-	-	-	-	-	(11,280)	-	-	-
(5,363)	(7,749)	54,568	(39,805)	13,980	(63)	7,360	26,952	7,093	(2,844)
-	-	-	-	-	-	-	-	-	-
(3)	(3,842)	114,667	(166,076)	46,155	(2,154)	126,998	(133,038)	11,424	(717)
343,133	331,950	1,635,911	1,375,140	690,392	555,807	2,450,058	2,331,645	282,706	256,793

Investors Real Property Fund		Investors Government Bond Fund		Investors Corporate Bond Fund		Investors [illegible]		Investors Global Bond Fund	
		(note 14)		*(note 1(b))*		*(note 1(b))*			
December 31 1995	December 31 1994	December 31 1995	December 31 1994	December 31 1995	December 31 1994	December 31 1995	November 30 1994	December 31 1995	December 31 1994
$	$	$	$	$	$	$	$	$	$
333,873	233,998	1,294,188	1,332,083	514,716	-	1,933,109	1,871,965	246,236	114,463
-	46	3,507,596	1,840,871	637,064	525,094	147,534	304,613	121,612	253,796
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
4,133	112,649	-	-	-	-	-	-	-	-
5,518	12,820	3,351,970	1,878,766	561,834	10,378	194,836	237,669	144,043	122,023
-	-	-	-	-	-	-	-	-	-
332,488	333,873	1,449,814	1,294,188	589,946	514,716	1,885,807	1,938,909	223,805	246,236

See accompanying notes to financial statements.

Investors Mutual of Canada

100% RRSP eligible

A. Scott Penman, CFA
Senior Vice-President, Equities

Investors Mutual of Canada has been managed by Scott Penman since 1985. Scott, a Chartered Financial Analyst, is Investors Group Senior Vice-President, Equities. He joined Investors Group in 1981 as an Investment Analyst after receiving his Bachelor of Commerce degree.

Investors Mutual of Canada offers investors potential long-term capital growth and income through a portfolio of high-quality stocks and bonds.

Performance

The Fund pursued a balanced approach between bonds and equities during a year that saw considerable volatility in financial markets.

Throughout the 12-month period, the Fund's equity component typically constituted 60% to 65% of its portfolio. The major equity emphasis was on Canadian resource producers, along with strong positions in cyclical, interest-sensitive, and consumer stocks. Performance was held back somewhat as natural resources shares failed to live up to expectations throughout much of the year. The volatility of the Canadian equity market, particularly in the weeks leading up to the Quebec referendum, also affected performance. However, many resource issues made considerable gains toward the end of the year.

The Fund's bond portfolio benefited from a strong market rally in the last half of 1995. Its bond component ranged between 27% and 28% during the period.

Outlook

Equities are likely to outperform bonds in 1996. In a low interest rate climate it will be difficult for bonds to match last year's strong performance. Consequently, the Fund will maintain an equity component in the 65% range.

Financial Highlights*

Total net assets	$ 692,545,756
Number of Unitholders	20,285
Asset value per unit:	
High	$ 10.87
Low	$ 9.51
Close	$ 10.87
Income distributed per unit	$ 0.205
Income distributed	$ 13,035,146

Performance Highlights*

1 yr	3 yr	5 yr	10 yr
12.53 %	12.56 %	11.29 %	8.57 %
Inflation**			
1.7 %	1.2 %	1.9 %	3.2 %

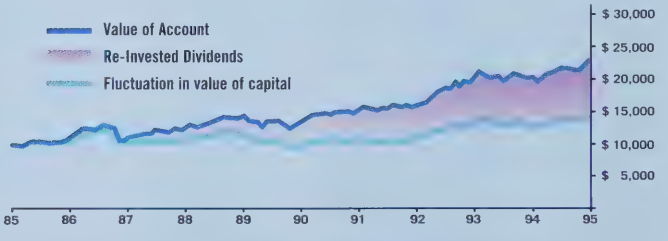
* Returns are compound rates of return and do not include acquisition or redemption fees but are net of management fees and include reinvestment of all income. Effective October 1, 1994, the Fund became responsible for the payment of a service fee and for its own day-to-day operating expenses. Effective January 1, 1995, the Fund began to operate as a unit trust and began to pay a trustee fee. These changes decreased the Fund's performance. These illustrations are intended to show the historical growth pattern of the Fund, and offer no indication of what its future performance will be.

** As measured by the Consumer Price Index, December 31, 1995.

$10,000 invested at start of period*

Year Ending Dec. 31	Market Value of account	Year over year rate of return Capital	Income	Total
1985	$ 10,000	–	–	–
1986	10,528	2.0 %	3.3 %	5.3 %
1987	11,029	1.1 %	3.7 %	4.8 %
1988	12,338	7.8 %	4.1 %	11.9 %
1989	14,233	11.2 %	4.2 %	15.4 %
1990	13,331	(11.2) %	4.9 %	(6.3) %
1991	15,350	11.1 %	4.0 %	15.1 %
1992	15,954	0.4 %	3.5 %	3.9 %
1993	20,390	25.6 %	2.2 %	27.8 %
1994	20,220	(3.2) %	2.4 %	(0.8) %
1995	22,754	10.6 %	1.9 %	12.5 %

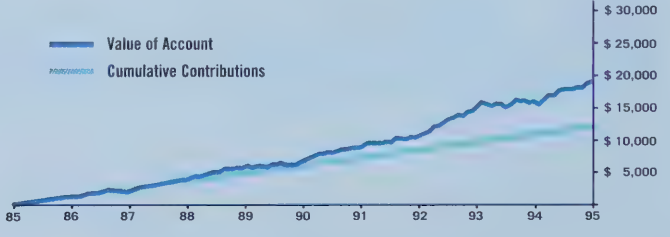
The accompanying graph and chart show the growth of Investors Mutual of Canada over the past ten years. They both illustrate how an initial investment of $10,000 in 1985 is now valued at over $22,700.



$100 invested each month*

Year Ending Dec. 31	Cumulative Contributions	Cumulative Dividends Reinvested	Closing Unit Price	Closing Market Value
1986	$ 1,200	$ 20	$ 7.87	$ 1,240
1987	2,400	84	7.67	2,423
1988	3,600	322	8.22	3,978
1989	4,800	532	8.84	5,863
1990	6,000	987	7.59	6,702
1991	7,200	1,577	8.19	8,989
1992	8,400	2,144	8.21	10,573
1993	9,600	2,459	10.23	14,868
1994	10,800	2,821	9.85	15,928
1995	12,000	3,285	10.87	19,218

The accompanying graph and chart illustrate how $100 per month invested for 10 years would be worth over $19,200 in Investors Mutual of Canada today.



Investors Mutual of Canada

Statement of Investments

as at December 31, 1995

	Par Value	(in thousands) Average Cost	Market Value
Bonds			
Federal Government			
Government of Canada			
10.50% 07-01-00	$ 22,000,000	$ 23,342	$ 25,355
9.75% 12-01-01	5,400,000	5,573	6,191
8.50% 04-01-02	7,800,000	7,924	8,475
7.25% 06-01-03	88,350,000	78,631	89,852
6.50% 06-01-04	10,000,000	8,360	9,659
9.00% 12-01-04	13,700,000	13,813	15,426
10.00% 06-01-08	15,031,000	16,357	18,308
		154,000	173,266
Provincial			
Ontario Hydro Global			
5.91% F/R 03-16-99	17,250,000	17,169	17,195
	No. of Shares		
Preferred Stock			
Perpetual			
Anglo-Canadian Telephone Company $2.65 Cum. Red. $50 pv	20,000	705	765
BC Tel 5.15% Cum. Red. Pfd. $100 pv	29,815	2,340	2,236
Minorco Canada Limited 6.00% Cum. Red. Series A Pfd. $100 pv	47,000	3,431	3,666
Minorco Canada Limited 6.25% Cum. Red. Series B Pfd. $100 pv	2,500	186	201
Quebec-Telephone 4.75% Cum. Red. 1965 Series $20 pv	90,500	1,318	1,267
United Corporations Limited $1.50 Cum. Red. Second Pfd. 1963 Series npv	25,225	492	485
George Weston Limited 6.00% Cum. Red. Second Series $100 pv	2,800	258	276
		8,730	8,896
Convertible			
Dofasco Inc. $2.60 Cum. Red. Conv. Class C Pfd. Series 1 $32.50 pv	130,000	4,046	4,225
Lafarge Canada Inc. Exch. Pfd. npv	75,000	1,661	1,931
		5,707	6,156
		14,437	15,052
Common Stock			
Communications and Media			
Quebecor Inc. Class A	364,200	3,205	7,466
Southam Inc.	239,500	3,712	3,473
The Thomson Corporation	570,000	8,838	10,830
Torstar Corporation Non voting	278,160	6,225	6,398
Videotron Groupe Ltee (Le) Sub. voting	71,600	655	707
		22,635	28,874
Computer			
Delrina Corporation Exchangeable	17,019	503	532
GEAC Computer Corporation Limited	167,531	3,104	3,644
		3,607	4,176
Conglomerates			
Canadian Pacific Limited	533,000	8,950	13,258
Onex Corporation	434,800	5,276	6,468
Russel Metals Inc. Class A	60,600	355	224
		14,581	19,950
Consumer Products			
Cara Operations Limited Class A	478,058	1,591	1,888
Cara Operations Limited voting	645,000	2,022	2,677
CCL Industries Inc. Class B Non voting	400,020	4,501	4,550
Coca-Cola Beverages	420,000	2,581	3,570
Maple Leaf Foods Inc.	620,500	3,717	3,801
*Nabisco Holdings Corp. Class A	14,750	548	657
*Philip Morris Companies Inc.	7,600	613	936
The Seagram Company Ltd.	186,000	3,544	8,742
		19,117	26,821

	No. of Shares	(in thousands) Average Cost	Market Value
Common Stock (continued)			
Financial Services			
Bank of Montreal	428,800	$ 7,694	$ 13,293
The Bank of Nova Scotia	110,000	3,034	3,273
Canadian Imperial Bank of Commerce	272,250	4,800	11,060
*Federal Home Loan Mortgage Corporation	57,700	3,772	6,578
National Bank of Canada	298,300	2,847	3,319
The Royal Bank of Canada	462,000	9,094	14,380
The Toronto-Dominion Bank	685,500	9,376	16,450
		40,617	68,353
Gold and Silver			
Barrick Gold Corporation	209,000	6,681	7,524
Franco-Nevada Mining Corporation Limited	36,500	2,943	2,911
Great Lakes Minerals Inc.	904,100	1,718	307
*Newmont Mining Corp.	99,300	5,907	6,134
*Santa Fe Pacific Gold Corp.	339,600	5,432	5,622
		22,681	22,498
Industrial Products			
Agrium Inc.	642,900	6,106	13,179
*AVX Corporation	26,500	902	959
Bombardier Inc. Class B. Sub. voting	350,000	3,595	6,300
Co-steel Inc. Common Sub. voting	207,000	4,143	5,097
Dofasco Inc.	30,700	355	530
*General Electric Company	47,700	3,470	4,689
Ipsco Inc.	176,700	4,462	5,058
*Lafarge Corporation	169,500	3,148	4,310
Newbridge Networks Corporation	114,100	4,168	6,447
Nova Corporation	874,200	8,512	9,616
SNC-Lavalin Group Inc. Class A Sub. voting	127,900	2,547	3,389
*Varity Corporation	114,700	3,629	5,813
		45,037	65,387
Merchandising			
Gendis Inc. Class A	169,500	2,627	2,013
The North West Company Inc.	143,500	1,579	1,381
The Oshawa Group Limited Class A Non voting	429,700	8,003	10,313
*Wal-Mart Stores Inc.	69,400	2,088	2,108
		14,297	15,815
Metals and Minerals			
Alcan Aluminum Limited	195,100	5,331	8,267
*Asarco Inc.	102,655	3,881	4,485
Cameco Corporation	216,100	4,462	10,967
Inco Limited	157,150	6,440	7,092
Noranda Inc.	243,000	5,163	6,834
*Phelps Dodge Corporation	18,500	1,184	1,572
Rio Algom Limited	272,200	5,168	6,907
		31,629	46,124
Oil & Gas			
Ballistic Energy	880,818	5,538	5,065
Barrington Petroleum Ltd.	1,285,200	5,743	5,077
Canadian Natural Resources Limited	594,200	2,987	11,884
Jordan Petroleum Ltd.	961,400	5,271	7,691
Northstar Energy Corporation	839,800	4,149	11,757
Poco Petroleums Ltd.	530,000	3,975	5,432
Renaissance Energy Ltd.	260,000	5,055	8,840
Sceptre Resources Limited	188,600	1,721	1,556
Shell Canada Limited Class A	139,000	5,942	5,960
Talisman Energy Inc.	150,000	4,040	4,144
		44,421	67,406
Paper and Forest Products			
Abitibi-Price Inc.	259,600	4,370	5,095
Avenor Inc	294,300	7,048	6,879
Domtar Inc	669,000	6,434	7,108

* *United States Investments*

See accompanying notes to financial statements.

Investors Mutual of Canada

Statement of Investments

as at December 31, 1995

	No. of Shares	Average Cost (in thousands)	Market Value (in thousands)
Common Stock (continued)			
Paper and Forest Products (continued)			
International Forest Products Limited Class A	230,600	$ 2,698	$ 2,479
MacMillan Bloedel Limited	359,000	6,327	6,058
		26,877	27,619
Pipelines			
TransCanada PipeLines Limited	588,250	10,074	11,103
Transportation & Environmental Services			
Air Canada	679,700	5,164	3,161
Canadian National Railway Company Instalment Receipts	48,900	794	1,002
Laidlaw Inc. Class B Non voting	773,300	7,912	10,633
		13,870	14,796
Telecommunications			
Northern Telecom Limited	36,700	1,789	2,142
Utilities			
BCE Inc.	91,775	2,965	4,336
Rodgers Cantel Mobile Communications Class B Sub. voting	172,600	4,859	6,214
		7,824	10,550
		319,056	431,614
Total Investments		$ 504,662	$ 637,127
Net Assets:			
Total investments			$ 637,127
Short term debt instruments			52,041
Cash and other net assets			3,377
			$ 692,545

* *United States Investments*

See accompanying notes to financial statements.

100% RRSP eligible

Investors Summa Fund

Investors Summa Fund offers the opportunity for potential long-term capital growth by investing in common shares of socially responsible, environmentally sound, and ethically managed companies.

Performance

A number of large Canadian companies fall outside the Fund's investment objectives. As a result, performance will vary more than that of the Toronto Stock Exchange 300 Index.

During the past year, the absence of holdings in the metals, distilling, and tobacco industries, for example, hurt results. Overall Fund returns, however, were aided by large holdings in financial services, communications, and consumer-related areas. U.S. market exposure, which was at the high end of maximum allowable portfolio limits for most of the year, was a positive factor in 1995.

During the year, the Fund retained an independent social investment counselling firm to screen potential investments. As a result, the universe of ethically-acceptable investments was expanded somewhat, permitting some re-balancing of the portfolio. The consumer-related and interest-sensitive holdings, which were heavily-weighted, have been reduced in favour of more cyclical commitments. The Fund is now better positioned to take advantage of remaining growth in the current business cycle.

Outlook

The Fund is expected to benefit from a favourable climate for North American equities in 1996. The Fund will expand its Canadian holdings in anticipation that Canadian stocks will outperform their U.S. counterparts over the period. Oil and gold holdings will be increased, while investments in consumer stocks will be reduced.

Quinn C. W. Bamford
Portfolio Manager,

Investors Summa Fund has been managed since 1989 by Quinn Bamford. Quinn has solid experience managing Mutual Funds and segregated pension Funds throughout his 40-year career with Investors Group.

Performance Highlights*

1 yr	3 yr	5 yr
13.26 %	9.74 %	10.58 %
Inflation**		
1.7 %	1.2 %	1.9 %

* Returns are compound rates of return and do not include acquisition or redemption fees but are net of management fees and include reinvestment of all income. Effective October 1, 1994, the Fund became responsible for the payment of a service fee and for its own day-to-day operating expenses. Effective January 1, 1995, the Fund began to operate as a unit trust and began to pay a trustee fee. These changes decreased the Fund's performance. These illustrations are intended to show the historical growth pattern of the Fund, and offer no indication of what its future performance will be.

** As measured by the Consumer Price Index, December 31, 1995.

Financial Highlights*

Total net assets	$	110,306,405
Number of Unitholders		18,491
Asset value per unit:		
High	$	6.44
Low	$	5.61
Close	$	6.16
Capital gains distributed per unit	$	0.212
Capital gains distributed	$	3,601,357
Income distributed per unit	$	0.118
Income distributed	$	2,011,499

Asset Mix

Investors Summa Fund provides you with a dual opportunity to invest in shares of companies that have a track record for socially responsible activities, and to earn competitive returns. The stocks selected for Investors Summa Fund must pass an "ethical screen" before being considered for investment purposes. Once the company passes the screen, the investment is scrutinized for it long-term growth potential.

Stocks	89.8	%
Consumer stocks	32.6	%
Interest-sensitive stocks	27.0	%
Cyclical stocks	17.4	%
Natural resources stocks	12.8	%
Cash	10.2	%

Investors Summa Fund

Statement of Investments

as at December 31, 1995

	Par Value	(in thousands) Average Cost	Market Value
Bonds			
Corporate - Convertible			
Kaufel Group Ltd..			
7.75% 07-28-98 Conv. Sub.	$ 350,000	$ 301	$ 340
	No. of Shares		
Common Stock			
Communications and Media			
Canwest Global Communication Corp.			
Sub. voting	60,000	617	1,485
Moffat Communications Limited	40,000	820	1,240
The Thomson Corporation	160,000	2,583	3,040
Videotron Groupe Ltee. (Le)			
Sub. voting	200,000	2,328	1,975
		6,348	7,740
Computer			
*Cisco Systems Inc.	6,000	427	611
GEAC Computer Corp. Ltd.	65,000	1,232	1,414
Sidus Systems Inc.	120,000	1,035	348
*Silicon Valley Group Inc.	25,000	1,044	862
		3,738	3,235
Conglomerates			
Onex Corporation	75,000	826	1,116
Consumer Products			
A.L. Van Houtte Ltee. Sub. voting	115,000	1,567	2,300
Alpha Net Telecom Inc.	45,000	467	934
*Iti Technologies, Inc.	35,000	1,154	1,422
Maax Inc.	125,000	1,200	1,250
*Mattel, Inc.	50,000	1,243	2,099
*Watsco, Inc.	75,000	1,034	1,830
Winpak Ltd.	50,300	990	1,232
		7,655	11,067
Financial Services			
*Aflac Incorporated	25,000	968	1,480
*AON Corp.	20,000	1,121	1,362
Bank of Montreal	117,500	2,847	3,643
The Bank of Nova Scotia	110,000	2,701	3,273
Canadian Imperial Bank of Commerce	90,000	2,747	3,656
Fahnestock Viner Holdings Inc.			
Class A Non voting	145,000	1,372	1,831
*Great Western Financial Corp.	30,000	1,038	1,044
Pembridge Inc.	200,000	982	1,000
The Royal Bank of Canada	107,500	3,042	3,346
The Toronto-Dominion Bank	150,000	3,059	3,600
		19,877	24,235
Health Care			
*Circon Corp	50,000	1,240	1,382
MDS Health Group Limited Class A	12,500	170	266
MDS Health Group Limited			
Class B Non voting	77,500	1,114	1,686
*Mentor Corp.	32,500	877	1,020
*St. Jude Medical Inc.	25,000	1,306	1,468
*Vencor Inc.	25,000	1,088	1,109
*Ventritex Inc.	40,000	1,040	949
		6,835	7,880
Industrial Products			
Anchor Lamina Inc.	250,000	1,309	1,344
*BMC Industries Inc.	50,000	1,024	1,587
CGC Inc.	125,000	1,074	813
Harris Steel Group Inc. Class A Non voting	155,000	1,643	1,356
Kaufel Group Ltd.. Class A	57,400	319	281
Kaufel Group Ltd.. Class B Sub. voting	125,000	680	559

	No. of Shares	(in thousands) Average Cost	Market Value
Common Stock (continued)			
Industrial Products (continued)			
Magna International Inc. Class A	20,000	$ 1,259	$ 1,175
Newbridge Networks Corporation	30,000	1,319	1,695
Pallet Pallet Inc.	275,700	959	331
Pallet Pallet Inc.			
Special Warrants (Issued 10-23-95)	74,300	149	90
Reko International Group Inc.	150,000	1,063	570
Simmonds Communications	120,000	971	1,035
*Tower Automotive Inc.	85,000	1,559	2,031
		13,328	12,867
Merchandising			
Forzani Group Ltd. Class A	165,000	1,251	887
Globelle Corp.			
Special Warrants (Issued 11-10-95)	150,000	1,200	1,275
Metro-Richelieu Inc.			
Class A Sub. voting	75,000	893	1,406
The North West Company Inc.	75,000	797	722
The Oshawa Group Limited			
Class A Non voting	135,000	2,515	3,240
Richelieu Hardware Limited	100,000	868	775
Westburne Inc.	125,000	1,354	1,219
		8,878	9,524
Gold and Silver			
Barrick Gold Corporation	50,000	1,773	1,800
Franco-Nevada Mining Corporation Ltd.	22,500	1,813	1,794
		3,586	3,594
Oil & Gas			
Barrington Petroleum Ltd.	220,000	991	869
Canadian Natural Resources Limited	85,000	1,438	1,700
Enerflex Systems Ltd.	85,000	1,344	1,424
Enserv Corporation	92,500	836	1,087
Jordan Petroleum Ltd.	175,000	1,409	1,400
Northrock Resources Ltd.	65,000	555	471
Nowsco Well Service Ltd.	50,000	832	900
Renaissance Energy Ltd.	70,000	1,944	2,380
		9,349	10,231
Transportation & Environmental Services			
Consolidated Envirowaste Industries Inc.	325,000	472	536
Newalta Corporation NPV	425,000	804	1,127
		1,276	1,663
Utilities			
BCE Inc.	65,000	2,842	3,070
Telus Corporation	155,000	2,195	2,479
		5,037	5,549
		86,733	98,701
Total Investments		$ 87,034	$ 99,041
Net Assets:			
Total investments			$ 99,041
Short term debt instruments			11,316
Other net liabilities			(51)
			$ 110,306

** United States Investments*

See accompanying notes to financial statements.

RRSP foreign content eligible

Investors North American Growth Fund

Investors North American Growth Fund provides potential long-term capital growth through shares of North American companies with above-average growth prospects.

Performance

The Fund benefited from the strong performance of North American equity markets — particularly those in the U.S. — during 1995.

The Fund gradually increased U.S. equity holdings throughout the year to take advantage of record-setting U.S. share prices (U.S. equity holdings as a percentage of the Fund ranged from 39.4% to 46.5% ending the year at 44.9%). Canadian positions were also augmented, ranging from 37.3% to 39.5% ending the year at 39.5%.

The Fund concentrated on North American cyclical issues, including forest products, metals, mining, and chemical companies. It also maintained significant investments in market-leading technology and financial services stocks. Some adjustments in resource holdings were made later in the year, with a reduction in the forest products sector. In addition, the Fund reduced its concentration on stocks with high-price earnings multiples and moved toward more predictable low-multiple names later in the year.

Outlook

With Canadian equities expected to outperform those in the U.S. during 1996, the Fund will increase Canadian content. It will focus on financial services and resource stocks, while maintaining lower holdings in sectors that are sensitive to lagging consumer spending, such as merchandising and durable goods.

William D. Chornous
Vice-President,
Portfolio Manager

Investors North American Growth Fund is managed by Bill Chornous. Bill joined Investors Group in 1988 after a career in the brokerage industry. He holds a diploma in Business Administration and is a Chartered Financial Analyst.

Performance Highlights*

1 yr	3 yr	5 yr	10 yr
16.66 %	12.98 %	15.24 %	11.83 %
Inflation**			
1.7 %	1.2 %	1.9 %	3.2 %

* Returns are compound rates of return and do not include acquisition or redemption fees but are net of management fees and include reinvestment of all income. Effective October 1, 1994, the Fund became responsible for the payment of a service fee and for its own day-to-day operating expenses. Effective January 1, 1995, the Fund began to operate as a unit trust and began to pay a trustee fee. These changes decreased the Fund's performance. These illustrations are intended to show the historical growth pattern of the Fund, and offer no indication of what its future performance will be.

** As measured by the Consumer Price Index, December 31, 1995.

Financial Highlights*

Total net assets	$ 1,164,848,313
Number of Unitholders	87,492
Asset value per unit:	
High	$ 13.69
Low	$ 11.30
Close	$ 13.38
Capital gains distributed per unit	$ 0.064
Capital gains distributed	$ 5,506,107
Income distributed per unit	$ 0.099
Income distributed	$ 8,475,895

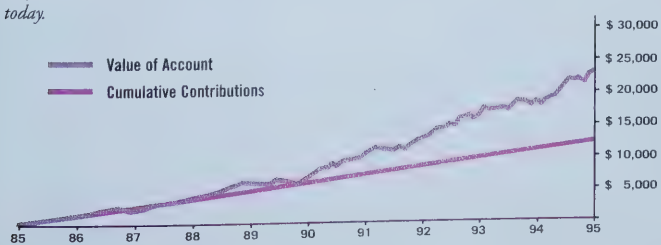
$10,000 invested at start of period*

The accompanying graph and chart show the growth of Investors North American Growth Fund over the past ten years. They both illustrate how an initial investment of $10,000 in 1985 is now valued at over $30,500.

Year Ending Dec. 31	Market Value of account	Year over year rate of return Capital	Income	Total
1985	$ 10,000	–	–	–
1986	11,113	8.7 %	2.4 %	11.1 %
1987	11,272	(2.5) %	3.9 %	1.4 %
1988	12,326	7.5 %	1.8 %	9.3 %
1989	16,067	27.9 %	2.5 %	30.4 %
1990	15,053	(9.4) %	3.1 %	(6.3) %
1991	19,728	30.0 %	1.1 %	31.1 %
1992	21,211	6.7 %	0.8 %	7.5 %
1993	25,032	17.5 %	0.5 %	18.0 %
1994	26,221	3.8 %	0.9 %	4.7 %
1995	30,589	16.0 %	0.7 %	16.7 %

$100 invested each month*

The accompanying graph and chart illustrate how $100 per month invested for 10 years would be worth over $22,700 in Investors North American Growth Fund today.



Year Ending Dec. 31	Cumulative Contributions	Cumulative Dividends Reinvested	Closing Unit Price	Closing Market Value
1986	$ 1,200	$ 157	$ 8.75	$ 1,250
1987	2,400	570	7.45	2,343
1988	3,600	629	7.99	3,837
1989	4,800	994	9.81	6,343
1990	6,000	1,781	8.18	7,155
1991	7,200	2,018	10.46	10,746
1992	8,400	2,963	10.41	12,835
1993	9,600	3,884	11.62	16,436
1994	10,800	4,775	11.61	18,422
1995	12,000	4,941	13.38	22,798

Investors North American Growth Fund

Statement of Investments

as at December 31, 1995

Bonds	Par Value	Average Cost (in thousands)	Market Value (in thousands)
Federal Government			
Government of Canada			
10.00% 06-01-08	$ 10,814,000	$ 12,265	$ 13,171
9.00% 06-01-25	10,000,000	9,799	11,651
		22,064	24,822
Provincial			
Ontario Hydro Global			
5.910% F/R 03-16-99	15,500,000	15,427	15,450
		37,491	40,272
Preferred Stock	**No. of Shares**		
Convertible			
Dofasco Inc. $2.60 Cum. Red.			
Class C Pfd., Series 1 $32.50 pv	225,000	6,347	7,313
Common Stock			
Communications & Media			
*Tele-communications, Inc.			
Series A TCI Group	160,000	4,766	4,341
Computer			
*Adaptec, Inc.	207,700	6,071	11,626
Delrina Corporation Exchangeable	20,679	599	646
Intel Corporation	45,000	3,836	3,486
Sidus Systems Inc.	203,400	1,754	590
*Texas Instruments Incorporated	120,000	6,302	8,437
		18,562	24,785
Conglomerates			
Canadian Pacific Limited	786,700	16,506	19,569
Consumer Products			
*Chrysler Corporation	286,109	16,015	21,532
Maple Leaf Foods Inc.	1,706,640	11,211	10,453
*Mattel, Inc.	250,000	5,925	10,495
*Nabisco Holdings Corporation Class A	302,250	11,291	13,462
*Philip Morris Companies Inc.	350,000	27,221	43,123
The Seagram Company Ltd.	300,000	11,612	14,100
Warnaco Group Inc. Class A	396,600	8,247	13,536
		91,522	126,701
Financial Services			
*American International Group, Inc.	232,150	19,031	29,316
Bank of Montreal	700,000	14,474	21,700
The Bank of Nova Scotia	650,000	10,191	19,337
Canadian Imperial Bank of Commerce	975,000	28,707	39,609
*Chase Manhattan Corp.	76,900	3,866	6,365
*Chemical Banking Corporation	170,000	7,118	13,635
*Chubb Corp.	100,000	10,766	13,208
*Citicorp	390,000	15,508	35,806
MGIC Investment Corporation	210,000	5,542	15,553
National Bank of Canada	85,000	896	946
The Royal Bank of Canada	757,800	17,695	23,587
		133,794	219,062
Gold and Silver			
Barrick Gold Corporation	308,900	10,734	11,120
Eldorado Corp. Limited	360,000	1,354	1,530
		12,088	12,650
Health Care			
*Columbia HCA Healthcare Corp.	358,800	17,311	24,920
Industrial Products			
Agrium Inc.	1,221,600	11,905	25,043
*AVX Corporation	306,700	11,657	11,096
*Caterpillar Inc.	136,000	9,369	10,908
*Corning Incorporated	211,000	9,221	9,218

Common Stock (continued)	No. of Shares	Average Cost (in thousands)	Market Value (in thousands)
Industrial Products (continued)			
*E. I. Dupont de Nemours & Company	140,000	$ 11,673	$ 13,355
Newbridge Networks Corporation	190,100	9,268	10,741
Nova Corporation	1,500,000	18,412	16,500
*Nucor Corp.	65,600	4,131	5,116
Pallet Pallet Inc.	1,220,000	4,024	1,464
Pallet Pallet Inc. Special Warrants (Issued 10-23-95)	194,900	390	237
*Varity Corporation	274,800	13,052	13,928
*Vishay Intertechnology, Inc.	189,000	3,748	8,128
		106,850	125,734
Merchandising			
*Federated Department Stores, Inc.	300,000	7,839	11,161
*Intimate Brands Inc.	174,600	3,668	3,575
*Wal-Mart Stores, Inc.	220,100	7,306	6,686
		18,813	21,422
Metals and Minerals			
Alcan Aluminum Ltd.	180,000	6,182	7,628
*Alumax Inc.	160,000	5,807	6,689
*Asarco Inc.	246,900	9,533	10,786
Cameco Corporation	407,400	12,977	20,675
*Freeport-McMoran Copper and Gold, Inc.	295,000	11,704	11,327
Inco Limited	345,000	12,654	15,568
Inmet Mining Corporation	824,000	8,212	8,240
*Magma Copper Co.	121,300	2,810	4,616
*Phelps Dodge Corporation	200,000	15,569	16,997
*Reynolds Metals Company	120,000	8,248	9,277
		93,696	111,803
Oil and Gas			
Amber Energy Inc.	300,000	2,277	4,875
Ballistic Energy Corp.	700,000	4,626	4,025
Barrington Petroleum Ltd.	640,000	2,475	2,528
Canadian Natural Resources Limited	700,000	3,030	14,000
Canadian Occidental Petroleum Ltd.	263,000	8,613	11,769
CS Resources Limited	753,700	5,914	7,443
Encal Energy Ltd.	924,900	2,775	2,821
Enertec Resources Services Inc.	117,000	503	450
*Ensco International Inc.	100,000	1,718	3,140
HCO Energy Ltd.	1,437,800	3,544	2,300
*Hornbeck Offshore Services, Inc.	303,500	5,322	8,131
Jordan Petroleum Ltd.	952,500	6,285	7,620
Penn West Petroleum Ltd.	700,000	4,113	4,813
Poco Petroleums Ltd.	450,000	3,885	4,613
Renaissance Energy Ltd.	342,000	10,137	11,628
Suncor Inc. Instalment Receipts	828,900	11,499	15,024
Talisman Energy Inc.	250,000	5,875	6,906
Torrington Resources Ltd.	550,000	1,183	2,104
		83,774	114,190
Paper and Forest Products			
Abitibi-Price Inc.	1,412,000	25,175	27,711
Avenor Inc.	1,256,000	28,438	29,359
Donohue Inc. Class A Sub. voting	274,800	3,595	4,397
*Federal Paper Board Company, Inc.	251,000	8,268	17,776
*Georgia-Pacific Corporation	75,000	7,392	7,027
		72,868	86,270
Transportation & Environmental Services			
Air Canada	1,650,000	12,696	7,673
*Burlington Northern Santa Fe Corporation	130,000	7,937	13,843
Laidlaw Inc. Class B Non voting	971,600	12,597	13,360
		33,230	34,876
Telecommunications			
*Motorola Inc.	210,000	15,511	16,342

Investors North American Growth Fund

Statement of Investments

as at December 31, 1995

	No. of Shares	Average Cost (in thousands)	Market Value (in thousands)
Common Stock (continued)			
Utilities			
*American Telephone and Telegraph Company	185,000	$ 13,070	$ 16,353
†Telefonos de Mexico, S.A. de C.V. GDR	146,500	7,555	6,350
*Worldcom, Inc.	113,300	4,667	5,452
		25,292	28,155
		744,583	970,820
Total Investments		$ 788,421	$ 1,018,405
Net Assets:			
Total investments			$ 1,018,405
Short term debt instruments			153,609
Other net liabilities			(7,166)
			$ 1,164,848

** United States Investments*
† Global Depository Receipts - Mexican Investments
See accompanying notes to financial statements.

Investors U.S. Growth Fund

RRSP foreign content eligible

Larry A. Sarbit
Vice-President,
Portfolio Manager

Investors U.S. Growth Fund is managed by Larry Sarbit. Larry joined Investors Group in 1987, after working with a major Canadian investment dealer. He holds Bachelor of Arts (Honours) and Master of Arts degrees.

The goal of Investors U.S. Growth Fund is to provide above-average rates of return through long-term holding of shares in attractive U.S. companies. Such companies have promising growth prospects, high returns on invested capital, and substantial free cash flow characteristics, and are purchased at a discount to their underlying intrinsic value.

Performance

While carrying a large cash position during the year — between 15% and 25% of the portfolio — and none of the strong-performing technology issues, the Fund nevertheless produced a respectable return of 24.85%.

Almost half the Fund's assets are in the financial services sector. Within that group, some of the biggest contributors to 1995's performance were the Student Loan Marketing Association, Alleghany Corp., American Express, and Federal Home Loan Mortgage Association. Other major holdings that appreciated strongly during the year were Berkshire Hathaway and Philip Morris Companies.

Outlook

With corporate earnings growth expected to slow, the U.S. stock market is unlikely to repeat its stellar performance of 1995. The Fund will continue to seek out attractive values in steadily performing companies that are less dependent on overall economic trends.

Financial Highlights*

Total net assets	$ 552,820,024
Number of Unitholders	44,903
Asset value per unit:	
High	$ 25.75
Low	$ 20.50
Close	$ 25.59
Income distributed per unit	$ 0.027
Income distributed	$ 579,100

Performance Highlights*

1 yr	3 yr	5 yr	10 yr
24.85 %	14.93 %	19.02 %	12.74 %
Inflation**			
1.7 %	1.2 %	1.9 %	3.2 %

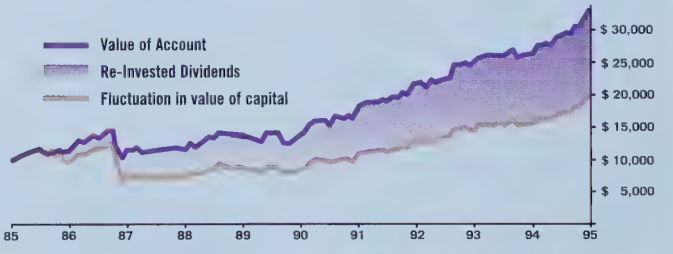
* Returns are compound rates of return and do not include acquisition or redemption fees but are net of management fees and include reinvestment of all income. Effective October 1, 1994, the Fund became responsible for the payment of a service fee and for its own day-to-day operating expenses. Effective January 1, 1995, the Fund began to operate as a unit trust and began to pay a trustee fee. These changes decreased the Fund's performance. These illustrations are intended to show the historical growth pattern of the Fund, and offer no indication of what its future performance will be.

** As measured by the Consumer Price Index, December 31, 1995.

$10,000 invested at start of period*

Year Ending Dec. 31	Market Value of account	Year over year rate of return Capital	Income	Total
1985	$ 10,000	–	–	–
1986	11,193	10.8 %	1.1 %	11.9 %
1987	11,399	0.6 %	1.2 %	1.8 %
1988	11,655	0.8 %	1.4 %	2.2 %
1989	13,930	18.2 %	1.3 %	19.5 %
1990	13,889	(0.3) %	0.0 %	(0.3) %
1991	18,356	32.2 %	0.0 %	32.2 %
1992	21,851	19.0 %	0.0 %	19.0 %
1993	24,845	13.7 %	0.0 %	13.7 %
1994	26,573	7.0 %	0.0 %	7.0 %
1995	33,175	24.7 %	0.1 %	24.8 %

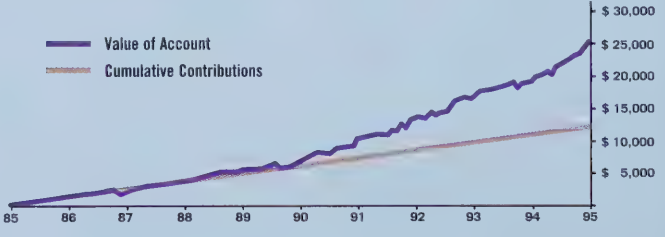
The accompanying graph and chart show the growth of Investors U.S. Growth Fund over the past ten years. They both illustrate how an initial investment of $10,000 in 1985 is now valued at over $33,100.



$100 invested each month*

Year Ending Dec. 31	Cumulative Contributions	Cumulative Dividends Reinvested	Closing Unit Price	Closing Market Value
1986	$ 1,200	$ 221	$ 12.46	$ 1,230
1987	2,400	916	9.64	2,328
1988	3,600	963	9.72	3,598
1989	4,800	1,031	11.47	5,570
1990	6,000	1,227	11.09	6,793
1991	7,200	1,407	14.38	10,363
1992	8,400	1,407	17.12	13,692
1993	9,600	1,407	19.47	16,870
1994	10,800	1,684	20.52	19,271
1995	12,000	1,711	25.59	25,431

The accompanying graph and chart illustrate how $100 per month invested for 10 years would be worth over $25,400 in Investors U.S. Growth Fund today.



Investors U.S. Growth Fund

Statement of Investments

as at December 31, 1995

Common Stock	No. of Shares	Average Cost (in thousands)	Market Value (in thousands)
Communication and Media			
*American Media Inc Class A	962,300	$ 12,732	$ 5,583
*The Interpublic Group of Companies, Inc.	374,000	5,769	22,147
		18,501	27,730
Conglomerates			
*Berkshire Hathaway Inc.	1,098	12,634	48,118
Consumer Products			
*Farmer Bros Co.	73,991	8,153	13,788
*Mattel Inc	178,600	5,599	7,498
*Philip Morris Companies Inc.	233,300	11,192	28,745
*Polaris Industries Inc.	133,050	5,421	5,336
*Rollins Inc.	269,200	4,245	8,131
*Ust Inc.	642,000	26,571	29,252
		61,181	92,750
Financial Services			
*Aflac Incorporated	335,000	5,235	19,837
*Alleghany Corporation	135,530	16,608	36,635
*American Express Company	518,700	24,376	29,388
*Federal Home Loan Mortgage Corporation	235,900	9,283	26,891
*Federal National Mortgage Association	57,500	5,638	9,744
*First Colony Corporation	262,400	9,382	9,090
*Greenpoint Financial Corporation	696,200	21,365	25,425
*Lehman Brothers Holdings Inc.	110,700	2,191	3,211
*Salomon Inc.	396,450	12,943	19,214
*Student Loan Marketing Association	634,400	28,921	57,162
*Torchmark Corporation	72,300	3,537	4,466
*Wesco Financial Corporation	42,100	3,192	10,460
		142,671	251,523
Leisure			
*The Topps Company Inc.	2,288,700	17,122	16,013
Merchandising			
*Duty Free International Inc.	178,600	2,478	3,901
*McDonald's Corporation	314,900	12,945	19,400
		15,423	23,301
Total Investments		$ 267,532	$ 459,435

Net Assets:	
Total investments	$ 459,435
Short term debt instruments	91,433
Cash and other net assets	1,952
	$ 552,820

* *United States Investments*

See accompanying notes to financial statements.

Investors Retirement Mutual Fund

100% RRSP eligible

A. Scott Penman, CFA
Senior Vice-President, Equities

Investors Retirement Mutual Fund is managed by Scott Penman. Scott, a Chartered Financial Analyst, is Investors Group Senior Vice-President, Equities. He joined Investors Group in 1981 as an investment analyst after receiving his Bachelor of Commerce degree.

Investors Retirement Mutual Fund offers investors the opportunity of long-term capital growth through investments in common shares of large, well-established Canadian companies.

Performance:

The Fund continues to pursue a broadly diversified, conservative investment strategy, with the bulk of its assets in Canadian securities.

During the past 12 months, the Fund has increased its holdings of natural resource and cyclical stocks, while decreasing its holdings in consumer goods companies. Emphasis was placed on resource companies that are in a position to participate in the global economic recovery.

Lower-than-expected performance in transportation, forest products, and oil and gas was countered by the Fund's strong position in the metals and financial services sectors. This contributed positively to results during the second half of the year.

Outlook

The current elongated economic cycle favours the Canadian stock market in 1996. The global environment of low interest rates, low inflation, and moderate growth should favour Canadian natural resource companies. In addition, Canadian equities are attractively valued compared with those in the U.S., placing markets here in a good position to outperform their U.S. counterparts.

Financial Highlights*

Total net assets	$ 1,978,703,293
Number of Unitholders	118,943
Asset value per unit:	
High	$ 13.54
Low	$ 11.58
Close	$ 13.54

Performance Highlights*

1 yr	3 yr	5 yr	10 yr
11.91 %	12.90 %	9.57 %	7.47 %
Inflation**			
1.7 %	1.2 %	1.9 %	3.2 %

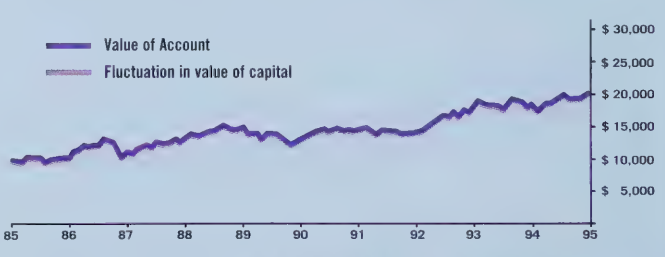
* Returns are compound rates of return and do not include acquisition or redemption fees but are net of management fees and include reinvestment of all income. Effective October 1, 1994, the Fund became responsible for the payment of a service fee and for its own day-to-day operating expenses, which decreased the Fund's performance. These illustrations are intended to show the historical growth pattern of the Fund, and offer no indication of what its future performance will be.

** As measured by the Consumer Price Index, December 31, 1995.

$10,000 invested at start of period*

Year Ending Dec. 31	Market Value of account	Year over year rate of return Capital	Income	Total
1985	$ 10,000	–	–	–
1986	10,225	2.2 %	0.0 %	2.2 %
1987	11,135	8.9 %	0.0 %	8.9 %
1988	13,099	17.6 %	0.0 %	17.6 %
1989	14,847	13.3 %	0.0 %	13.3 %
1990	13,017	(12.3) %	0.0 %	(12.3) %
1991	14,537	11.7 %	0.0 %	11.7 %
1992	14,285	(1.7) %	0.0 %	(1.7) %
1993	18,068	26.5 %	0.0 %	26.5 %
1994	18,367	1.7 %	0.0 %	1.7 %
1995	20,555	11.9 %	0.0 %	11.9 %

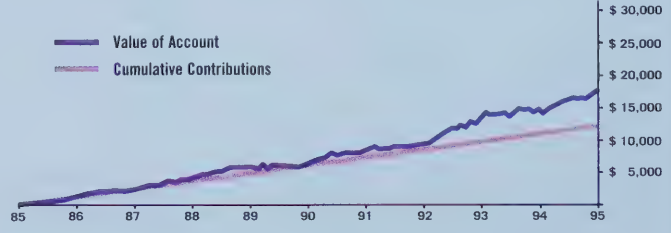
The accompanying graph and chart show the growth of Investors Retirement Mutual Fund over the past ten years. They both illustrate how an initial investment of $10,000 in 1985 is now valued at over $20,500.



$100 invested each month*

Year Ending Dec. 31	Cumulative Contributions	Cumulative Dividends Reinvested	Closing Unit Price	Closing Market Value
1986	$ 1,200	$ 0	$ 6.74	$ 1,222
1987	2,400	0	7.33	2,474
1988	3,600	0	8.63	4,205
1989	4,800	0	9.78	6,010
1990	6,000	0	8.58	6,422
1991	7,200	0	9.58	8,398
1992	8,400	0	9.41	9,446
1993	9,600	0	11.90	13,294
1994	10,800	0	12.10	14,704
1995	12,000	0	13.54	17,750

The accompanying graph and chart illustrate how $100 per month invested for 10 years would be worth over $17,700 in Investors Retirement Mutual Fund today.



Investors Retirement Mutual Fund

Statement of Investments

as at December 31, 1995

	No. of Shares	Average Cost (in thousands)	Market Value (in thousands)
Preferred Stock - Equity			
Lafarge Canada Inc. Exch. Pfd. npv	450,000	$ 6,181	$ 11,588
Common Stock			
Communications & Media			
Canwest Global Communications Corp. Sub. voting	1,343,500	8,610	33,252
Quebecor Inc. Class B Sub. voting	573,977	6,366	11,695
Rogers Communications Inc. Class B Non voting	250,000	3,575	3,812
Southam Inc.	815,000	12,339	11,817
The Thomson Corporation	2,066,300	33,322	39,260
Torstar Corporation Class B Non voting	1,268,840	33,273	29,183
Videotron Groupe Ltee (le) Sub. voting	218,700	1,786	2,160
		99,271	131,179
Conglomerates			
Canadian Pacific Limited	2,155,650	39,938	53,622
Russel Metals Inc. Class A	389,900	4,756	1,442
		44,694	55,064
Consumer Products			
CCL Industries Inc. Class B	1,853,135	21,766	21,079
Maple Leaf Foods Inc.	2,419,440	15,088	14,819
*Mattel, Inc.	445,313	7,375	18,694
*Nabisco Holdings Corp Class A	73,050	2,711	3,254
*Philip Morris Companies Inc.	37,900	3,058	4,670
The Seagram Company Ltd.	1,027,700	31,752	48,302
		81,750	110,818
Computer			
Delrina Corporation Exchangeable	81,374	3,415	2,543
GEAC Computer Corporation Limited	1,154,085	21,688	25,101
		25,103	27,644
Financial Services			
Bank of Montreal	1,616,150	34,739	50,101
The Bank of Nova Scotia	1,423,800	27,865	42,358
Canadian Imperial Bank of Commerce	1,308,150	33,881	53,143
*Federal Home Loan Mortgage Corporation	179,200	11,220	20,428
National Bank of Canada	966,100	9,837	10,748
The Royal Bank of Canada	1,779,000	43,974	55,371
The Toronto-Dominion Bank	2,204,500	39,571	52,908
		201,087	285,057
Gold and Silver			
Barrick Gold Corporation	929,250	31,041	33,453
Echo Bay Mines Ltd.	974,600	14,089	13,888
Franco-Nevada Mining Corporation Limited	231,300	18,960	18,446
*Newmont Mining Corp.	335,500	20,002	20,726
Prime Resources Group Inc.	861,400	7,956	8,076
*Santa Fe Pacific Gold Corp.	1,097,300	17,786	18,164
Teck Corporation Class B Sub. voting	416,692	10,518	11,094
		120,352	123,847
Industrial Products			
Agrium Inc.	1,905,000	12,094	39,053
*AVX Corporation	258,800	9,303	9,363
Bombardier Inc. Class B Sub. voting	1,471,000	14,562	26,478
CGC Inc.	221,800	2,161	1,442
Co-steel Inc. Common Sub. voting	687,100	15,859	16,920
Dofasco Inc.	105,500	1,570	1,820
*E. I. Dupont De Nemours & Company	186,500	15,245	17,791
Ipsco Inc.	884,000	21,917	25,305
*Lafarge Corporation	352,400	4,544	8,960
Milltronics Ltd.	776,000	10,382	20,758
Newbridge Networks Corporation	581,400	25,439	32,849
Nova Corp.	3,554,900	31,246	39,104
Industrial Products (continued)			
SNC-Lavalin Group Inc. Class A Sub. voting	203,300	4,169	5,387
*Varity Corporation	288,900	12,244	14,642
		180,735	259,872
Merchandising			
Gendis Inc. Class A	542,000	10,873	6,436
The North West Company Inc.	657,000	9,580	6,324
The Oshawa Group Limited Class A Non voting	1,502,850	31,670	36,069
*Wal-Mart Stores, Inc.	320,300	10,318	9,729
Westburne Inc.	795,300	6,705	7,754
		69,146	66,312
Metals and Minerals			
Alcan Aluminum Limited	913,250	25,425	38,699
*Asarco Inc.	425,695	15,998	18,597
Cameco Corporation	720,200	11,862	36,550
Diamond Fields Resources	309,350	6,270	7,966
Inco Limited	708,300	29,149	31,962
Inmet Mining Corporation	1,410,400	14,495	14,104
Noranda Inc.	1,176,400	26,018	33,086
*Phelps Dodge Corporation	68,100	3,988	5,788
Rio Algom Ltd.	866,200	14,923	21,980
		148,128	208,732
Oil and Gas			
Canadian Natural Resources Limited	1,222,900	16,257	24,458
Crestar Energy Inc.	643,900	9,723	12,234
Dorset Exploration Ltd.	1,241,000	12,894	6,903
Imperial Oil Limited	279,200	13,827	13,786
Morrison Petroleums Ltd.	1,633,100	14,733	13,065
Norcen Energy Resources Limited	106,000	1,727	2,173
Northrock Resources Ltd.	1,211,700	12,902	8,785
Northstar Energy Corporation	1,960,800	7,621	27,451
Poco Petroleums Ltd.	2,107,100	17,956	21,598
Ranger Oil Limited	1,434,950	11,459	12,197
Renaissance Energy Ltd.	1,009,100	19,537	34,309
Rigel Energy Corporation	1,208,500	11,783	14,804
Shell Canada Limited Class A	407,000	17,686	17,450
Suncor Inc.	477,300	15,136	20,405
Suncor Inc. Instalment Receipts	50,000	915	906
Talisman Energy Inc.	1,197,137	30,300	33,071
Wascana Energy Inc.	1,606,700	18,731	20,686
		233,187	284,281
Paper and Forest Products			
Abitibi-Price Inc.	1,451,800	23,646	28,491
Avenor Inc.	1,283,000	28,300	29,990
Canfor Corporation	823,800	11,442	12,254
Domtar Inc.	1,682,800	16,333	17,880
International Forest Products Limited Class A	935,500	12,905	10,057
Macmillan Bloedel Ltd.	1,628,500	33,415	27,481
		126,041	126,153
Pipelines			
TransCanada Pipelines Limited	1,957,100	35,770	36,940
Transportation & Environmental Services			
Air Canada	2,299,600	14,073	10,693
Air Canada Class A Non voting	355,300	2,061	1,474
Canadian National Railway Company - Instalment Receipts	195,700	3,180	4,012
Laidlaw Inc. Class B Non voting	3,004,190	29,858	41,308
Trimac Limited	1,353,300	8,546	16,916
		57,718	74,403

* *United States investments*

See accompanying notes to financial statements.

Investors Retirement Mutual Fund

Statement of Investments

as at December 31, 1995

	No. of Shares	Average Cost (in thousands)	Market Value (in thousands)
Common Stock (continued)			
Telecommunications			
Northern Telecom Limited	103,600	$ 5,053	$ 6,048
Utilities			
BCE Inc.	535,800	22,082	25,316
Rogers Cantel Mobile Communications			
Class B Sub. voting	826,300	25,208	29,747
Telus Corporation	195,000	2,405	3,120
		49,695	58,183
		1,477,730	1,854,533
Total Investments		$ 1,483,911	$ 1,866,121
Net Assets:			
Total investments			$ 1,866,121
Short term debt instruments			119,740
Other net liabilities			(7,158)
			$ 1,978,703

* *United States investments*

See accompanying notes to financial statements.

100% RRSP eligible

Investors Canadian Equity Fund

Investors Canadian Equity Fund provides investors with long-term capital growth, as well as some income, by investing in shares of leading large and medium-sized Canadian companies.

Performance

A volatile year in the Canadian equity market affected the Fund's performance. Rising interest rates resulted in a sluggish first quarter. The second quarter saw improvement as interest rates fell and strong corporate earnings were reported. In the weeks leading up to the Quebec referendum, volatility returned to the Canadian equity market, affecting third quarter performance.

Throughout the year the Fund emphasized investments in the natural resources and financial services sectors to put the Fund in a position to benefit from an extended economic cycle, as well as declining interest rates. Although a strong position in the resources group held Fund performance back throughout much of the year, many resource issues made significant gains toward year-end. Financial issues also performed well as Canadian interest rates dropped.

Outlook

The current elongated economic cycle favours the Canadian stock market. With low interest rates, low inflation, and moderate growth around the world, Canadian natural resources companies should do especially well. Canadian equities are attractively valued and are expected to outperform their U.S. counterparts in 1996.

A. Scott Penman, CFA
Senior Vice-President, Equities

Investors Canadian Equity Fund has been managed by Scott Penman since 1985. Scott, a Chartered Financial Analyst, is Investors Group Senior Vice-President, Equities. He joined Investors Group in 1981 as an Investment Analyst after receiving his Bachelor of Commerce degree.

Performance Highlights*

1 yr	3 yr	5 yr	10 yr
10.61 %	13.36 %	12.16 %	8.69 %
Inflation**			
1.7 %	1.2 %	1.9 %	3.2 %

* Returns are compound rates of return and do not include acquisition or redemption fees but are net of management fees and include reinvestment of all income. Effective October 1, 1994, the Fund became responsible for the payment of a service fee and for its own day-to-day operating expenses, which decreased the Fund's performance. These illustrations are intended to show the historical growth pattern of the Fund, and offer no indication of what its future performance will be.

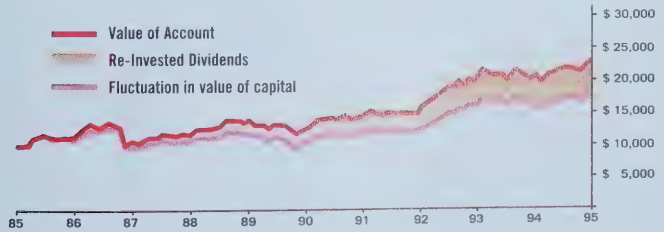
** As measured by the Consumer Price Index, December 31, 1995.

Financial Highlights*

Total net assets	$ 2,103,675,115
Number of Unitholders	178,645
Asset value per unit:	
High	$ 9.71
Low	$ 8.38
Close	$ 9.71
Income distributed per unit	$ 0.005
Income distributed	$ 1,082,089

$10,000 invested at start of period*

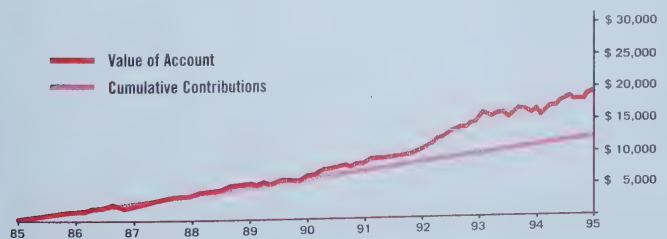
The accompanying graph and chart show the growth of Investors Canadian Equity Fund over the past ten years. They both illustrate how an initial investment of $10,000 in 1985 is now valued at over $22,900.



Year Ending Dec. 31	Market Value of account	Year over year rate of return Capital	Income	Total
1985	$ 10,000	–	–	–
1986	11,517	13.4 %	1.8 %	15.2 %
1987	11,047	(6.8) %	2.7 %	(4.1) %
1988	12,191	5.8 %	4.6 %	10.4 %
1989	14,046	11.9 %	3.3 %	15.2 %
1990	12,969	(11.6) %	3.9 %	(7.7) %
1991	14,878	12.4 %	2.3 %	14.7 %
1992	15,799	5.1 %	1.1 %	6.2 %
1993	20,740	31.1 %	0.2 %	31.3 %
1994	20,773	0.1 %	0.1 %	0.2 %
1995	22,977	10.5 %	0.1 %	10.6 %

$100 invested each month*

The accompanying graph and chart illustrate how $100 per month invested for 10 years would be worth over $19,300 in Investors Canadian Equity Fund today.



Year Ending Dec. 31	Cumulative Contributions	Cumulative Dividends Reinvested	Closing Unit Price	Closing Market Value
1986	$ 1,200	$ 46	$ 6.07	$ 1,252
1987	2,400	129	5.62	2,274
1988	3,600	301	5.93	3,788
1989	4,800	485	6.61	5,651
1990	6,000	732	5.87	6,431
1991	7,200	944	6.57	8,647
1992	8,400	1,060	6.90	10,440
1993	9,600	1,085	9.06	15,090
1994	10,800	1,608	8.78	16,295
1995	12,000	1,618	9.71	19,311

Investors Canadian Equity Fund

Statement of Investments

as at December 31, 1995

	Par Value	(in thousands) Average Cost	Market Value
Bonds			
Corporate - Convertible			
Air Canada 8.00% 04-20-05 Conv. Unsecured Sub. Deb.	$ 2,688,000	$ 2,598	$ 2,634
Common Stock	**No. of Shares**		
Communication and Media			
Canwest Global Communications Corp. Sub. voting	1,173,000	10,782	29,032
Quebecor Inc. Class A	672,000	5,146	13,776
Northern Telecom Limited	107,600	5,250	6,281
Rogers Cantel Mobile Communications Class B Non voting	826,400	25,211	29,750
Rogers Communications Inc. Class B	408,000	6,126	6,222
Southam Inc.	471,400	7,970	6,835
The Thompson Corporation	2,195,800	36,363	41,720
Torstar Corporation Class B Non voting	1,034,500	27,051	23,794
Videotron Groupe Ltee (Le) Sub. voting	191,900	2,024	1,895
		125,923	159,305
Computer			
Delrina Corporation Exchangeable	73,383	1,665	2,293
Geac Computer Corporation Limited	1,154,184	21,690	25,104
Sidus Systems Inc.	491,500	7,864	1,425
		31,219	28,822
Conglomerates			
Canadian Pacific Limited	2,371,250	50,017	58,985
Onex Corporation	971,700	10,553	14,454
Russel Metals Inc. Class A	372,000	2,937	1,376
		63,507	74,815
Consumer Products			
Cara Operations Ltd. Class A	1,438,992	4,868	5,684
Cara Operations Ltd. Common voting	808,000	2,655	3,353
CCL Industries Inc. Class B Non voting	1,737,200	20,059	19,761
Maple Leaf Foods Inc	2,489,000	17,164	15,245
*Nabisco Holdings Corp. Class B	73,050	2,712	3,254
*Philip Morris Companies Inc.	36,600	2,732	4,509
Royal Plastic Group	534,300	8,969	10,552
The Seagram Company Ltd.	1,025,100	38,321	48,180
		97,480	110,538
Financial Services			
Bank of Montreal	1,611,250	38,907	49,949
The Bank of Nova Scotia	1,620,400	41,487	48,207
Canadian Imperial Bank of Commerce	131,700	41,796	55,725
*Federal Home Loan Mortgage Corporation	160,600	10,190	18,308
National Bank of Canada	954,100	9,278	10,614
The Royal Bank of Canada	1,684,000	43,745	52,415
The Toronto-Dominion Bank	2,120,700	39,712	50,897
		225,115	286,115
Gold and Silver			
Barrick Gold Corporation	1,028,450	34,619	37,024
Echo Bay Mines Ltd.	1,307,400	18,824	18,630
Franco-Nevada Mining Corporation Ltd.	249,133	19,198	19,868
Great Lakes Minerals Inc.	1,941,600	3,895	660
*Newmont Mining Corporation	373,200	22,255	23,055
Prime Resources Group Inc.	951,300	8,451	8,918
Rayrock Yellowknife Resources Inc.	716,000	12,372	7,339
*Santa Fe Pacific Gold Corporation	1,099,100	17,890	18,194
Teck Corporation Class B Sub. voting	487,008	12,337	12,967
Vengold Inc.	4,115,000	8,511	4,527
Vengold Inc. Series B Warrants	2,057,500	514	617
		158,866	151,799
Industrial Products			
Agrium Inc.	1,965,400	14,346	40,291
Asia - Pacific Resources Ltd.	850,000	6,055	6,269
*AVX Corporation	276,300	9,836	9,996

	No. of Shares	(in thousands) Average Cost	Market Value
Common Stock (continued)			
Industrial Products (continued)			
Banister Foundation Inc.	749,900	$ 12,112	$ 6,187
Bombardier Inc. Class B Sub. voting	1,717,200	19,497	30,910
Co-steel Inc. Common Sub. voting	556,200	10,282	13,696
Dofasco Inc.	116,200	1,380	2,004
*E.I. Dupont de Nemours & Company	186,500	15,365	17,791
*General Electric Company	222,300	11,123	21,851
Harris Steel Group Inc. Class A Non voting	892,000	5,733	7,805
Ipsco Inc.	890,500	21,969	25,491
*Lafarge Corporation	486,700	8,200	12,375
Newbridge Networks Corporation	581,400	25,439	32,849
Nova Corp.	3,848,100	37,719	42,329
Pallet Pallet Inc.	3,000,000	10,191	3,600
Pallet Pallet Inc. Special Warrants (Issued 10-23-95)	487,400	975	592
SNC-Lavalin Group Inc. Class A Sub. voting	719,400	10,853	19,064
*Varity Corporation	190,100	5,074	9,635
		226,149	302,735
Merchandising			
Acklands Limited	570,500	7,547	6,561
Canadian Tire Corporation Ltd. Class A Non voting	75,000	1,166	1,116
Gendis Inc. Class A	484,000	9,699	5,747
The North West Company Inc.	256,300	3,845	2,467
Oshawa Group Limited Class A Non voting	1,435,400	30,698	34,449
Second Cup Ltd.	107,100	1,415	1,473
Second Cup Ltd. Special Warrants (Issued 09-27-95)	800,000	6,800	11,000
*Wal-Mart Stores Inc.	296,700	9,561	9,012
		70,731	71,825
Metals and Minerals			
Alcan Aluminum Limited	955,600	28,995	40,494
*Asarco Inc.	414,050	15,392	18,088
Cameco Corporation	735,750	17,097	37,339
Diamond Fields Resources	309,350	6,270	7,966
Inco Limited	765,750	31,969	34,555
Inmet Mining Corporation	1,445,300	14,843	14,453
Noranda Inc.	1,075,100	24,269	30,237
*Phelps Dodge Corporation	61,400	3,593	5,218
Rio Algom Ltd.	862,700	14,019	21,891
		156,447	210,241
Oil and Gas			
Canadian Natural Resources Limited	1,251,700	4,101	25,034
Canadian Occidental Petroleum	559,200	19,043	25,024
Crestar Energy Inc.	629,700	9,494	11,964
Dorset Exploration Ltd.	1,261,100	8,700	7,015
Encal Energy Ltd.	563,700	2,158	1,719
Enserv Corporation	1,133,350	14,828	13,317
Ensign Resource Service Group Inc.	218,700	1,532	1,531
Jordan Petroleum Ltd.	1,427,900	10,897	11,423
Northrock Resources Ltd.	503,300	4,141	3,649
Northstar Energy Corporation	1,311,000	5,135	18,354
Penn West Petroleum Ltd.	2,105,087	14,178	14,472
Poco Petroleum Ltd.	2,714,300	25,873	27,822
Precision Drilling Corporation Class A	615,300	10,040	11,383
Ranger Oil Limited	2,251,850	18,386	19,141
Renaissance Energy Ltd.	1,040,500	23,006	35,377
Shell Canada Limited Class A	263,000	11,646	11,276
Suncor Inc.	145,000	4,612	6,199
Suncor Inc. Instalment Receipts	874,400	13,107	15,849
Talisman Energy Inc.	1,171,576	30,036	32,365
Wascana Energy Inc.	1,823,100	21,541	23,472
		252,454	316,386
Paper and Forest Products			
Abitibi-Price Inc.	1,438,000	23,422	28,221
Avenor Inc.	1,115,000	23,495	26,063
Canfor Corporation	922,064	15,440	13,716

Investors Canadian Equity Fund

Statement of Investments

as at December 31, 1995

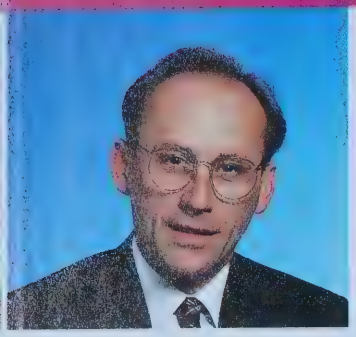
	No. of Shares	Average Cost (in thousands)	Market Value (in thousands)
Common Stock (continued)			
Paper and Forest Products (continued)			
Domtar Inc.	2,262,300	$ 21,721	$ 24,037
International Forest Products Limited Class A	1,189,100	14,817	12,783
Macmillan Bloedel Ltd.	1,165,000	24,349	19,659
		123,244	124,479
Pipelines			
TransCanada Pipelines Limited	2,026,850	37,499	38,257
Transportation & Environmental Services			
Air Canada	2,730,000	18,804	12,695
Air Canada Class A Non voting	784,000	4,379	3,254
Canadian National Railway Company - Installment Receipts	244,700	3,976	5,016
Laidlaw Inc. Class B Non voting	3,274,290	34,236	45,022
Trimac Limited	1,314,600	12,328	16,432
		73,723	82,419
Utilities			
BCE Inc.	715,100	30,477	33,788
		1,672,834	1,991,524
Total Investments		$ 1,675,432	$ 1,994,158
Net Assets:			
Total investments			$ 1,994,158
Short term debt instruments			128,165
Other net liabilities			(18,648)
			$ 2,103,675

* *United States investments*

See accompanying notes to financial statements.

Investors Special Fund

RRSP foreign content eligible



William D. Chornous
Vice-President,
Portfolio Manager

Investors Special Fund has been managed since 1994 by Bill Chornous. Bill joined Investors Group in 1988 after a career in the brokerage industry. He holds a diploma in Business Administration and is a Chartered Financial Analyst.

Investors Special Fund provides investors with potential long-term capital growth by investing in shares of small and medium-sized companies in Canada, the United States, and Mexico.

Performance

The Fund used its high cash reserve to increase its U.S. component to approximately 42% from 32% over the 12-month period. Canadian holdings also increased slightly. Mexican holdings remained low, at less than 1% of the Fund's portfolio.

While strong performance from U.S. stocks was a plus for the Fund, it was held back by underperforming Canadian equities. However, lagging Canadian performance provided an opportunity to pick up attractively valued shares, particularly in the natural resources sector. Prices of many of these shares, especially metals stocks, began to rise after the Quebec referendum in October.

Outlook

Going into 1996, the Canadian equity market appears to offer more attractive value than markets in the U.S. Consequently, the Fund will emphasize Canadian investments in the early part of the year, concentrating on metals, forest products, and financial services stocks.

Financial Highlights*

Total net assets	$ 340,676,571
Number of Unitholders	22,529
Asset value per unit:	
High	$ 17.69
Low	$ 14.72
Close	$ 17.22
Capital gains distributed per unit	$ 0.109
Capital gains distributed	$ 2,127,443
Income distributed per unit	$ 0.111
Income distributed	$ 2,170,941

Performance Highlights*

1 yr	3 yr	5 yr	10 yr
14.95 %	11.58 %	15.90 %	11.29 %
Inflation**			
1.7 %	1.2 %	1.9 %	3.2 %

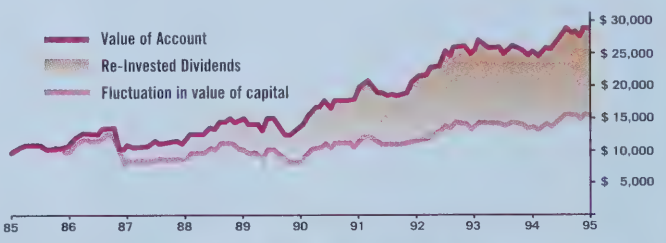
* Returns are compound rates of return and do not include acquisition or redemption fees but are net of management fees and include reinvestment of all income. Effective October 1, 1994, the Fund became responsible for the payment of a service fee and for its own day-to-day operating expenses. Effective January 1, 1995, the Fund began to operate as a unit trust and began to pay a trustee fee. These changes decreased the Fund's performance. These illustrations are intended to show the historical growth pattern of the Fund, and offer no indication of what its future performance will be.

** As measured by the Consumer Price Index, December 31, 1995.

$10,000 invested at start of period*

Year Ending Dec. 31	Market Value of account	Year over year rate of return Capital	Income	Total
1985	$ 10,000	–	–	–
1986	10,756	6.1 %	1.5 %	7.6 %
1987	10,895	(0.4) %	1.7 %	1.3 %
1988	11,734	5.3 %	2.4 %	7.7 %
1989	15,097	25.6 %	3.1 %	28.7 %
1990	13,938	(9.2) %	1.5 %	(7.7) %
1991	19,507	39.2 %	0.8 %	40.0 %
1992	20,984	7.6 %	0.0 %	7.6 %
1993	25,657	21.8 %	0.5 %	22.3 %
1994	25,361	(1.7) %	0.5 %	(1.2) %
1995	29,152	14.3 %	0.6 %	14.9 %

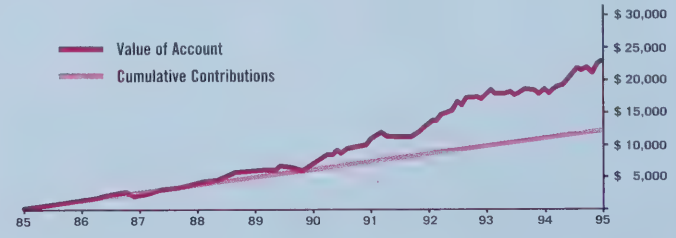
The accompanying graph and chart show the growth of Investors Special Fund over the past ten years. They both illustrate how an initial investment of $10,000 in 1985 is now valued at over $29,100.



$100 invested each month*

Year Ending Dec. 31	Cumulative Contributions	Cumulative Dividends Reinvested	Closing Unit Price	Closing Market Value
1986	$ 1,200	$ 108	$ 10.87	$ 1,226
1987	2,400	482	9.41	2,316
1988	3,600	564	9.89	3,762
1989	4,800	1,253	11.37	6,181
1990	6,000	1,775	9.69	6,907
1991	7,200	2,419	12.73	11,064
1992	8,400	3,306	12.80	13,202
1993	9,600	3,558	15.42	17,435
1994	10,800	3,642	15.18	18,408
1995	12,000	3,785	17.22	22,458

The accompanying graph and chart illustrate how $100 per month invested for 10 years would be worth over $22,400 in Investors Special Fund today.



Investors Special Fund

Statement of Investments

as at December 31, 1995

	Par Value	(in thousands) Average Cost	Market Value
Bonds			
Corporate - Convertible			
Air Canada 8.00% 04-20-05 Conv. Unsecured Sub. Deb.	$ 1,528,800	$ 1,499	$ 1,498
	No. of Shares		
Common Stock			
Communication and Media			
Videotron Groupe Ltee (Le) Sub. voting	91,400	1,211	902
Computer			
*Adaptec Inc.	67,300	1,623	3,767
Delrina Corporation Exchangeable	10,370	300	324
Dy 4 Systems Inc.	248,100	1,874	3,753
Geac Computer Corp. Ltd.	250,000	4,719	5,437
Sidus Systems Inc.	165,300	1,426	479
		9,942	13,760
Conglomerates			
Canadian Pacific Ltd.	275,000	5,454	6,841
Consumer Products			
*Chrysler Corp.	71,502	3,923	5,381
Maple Leaf Foods Inc.	600,000	3,600	3,675
*Mattel Inc.	78,125	1,879	3,280
*Nabisco Holdings Corp. Class A	98,500	3,709	4,387
*Philip Morris Companies Inc.	80,000	6,528	9,857
The Seagram Co. Ltd.	75,000	3,045	3,525
		22,684	30,105
Financial Services			
Bank of Montreal	110,000	2,400	3,410
The Bank of Nova Scotia	80,000	1,786	2,380
Canadian Imperial Bank of Commerce	140,000	4,255	5,688
*Capital One Financial Corp.	190,200	5,234	6,199
*Chase Manhattan Corp.	48,100	2,350	3,981
*Chemical Banking Corp.	60,000	2,586	4,812
*Citicorp	60,000	2,437	5,509
*CMAC Investment Corp.	80,000	2,715	4,806
*Golden West Financial Corp.	30,000	1,426	2,263
National Bank of Canada	312,000	3,175	3,471
The Royal Bank of Canada	185,000	5,203	5,758
*Signet Banking Corp.	100,000	3,776	3,242
The Toronto-Dominion Bank	250,000	5,268	6,000
		42,611	57,519
Gold & Silver			
Eldorado Corp. Ltd.	500,000	1,421	2,125
Prime Resources Group Inc.	383,000	3,368	3,591
Rayrock Yellowknife Resources Inc.	82,300	1,368	844
*Santa Fe Pacific Gold Corp.	150,000	2,141	2,483
Vengold Inc.	855,000	1,774	941
Vengold Inc. Series B Warrants	427,500	107	128
		10,179	10,112
Health Care			
*Columbia HCA Healthcare Corp.	94,800	3,114	6,584
*Mid Atlantic Medical Services Inc.	100,000	2,828	3,311
		5,942	9,895
Industrial Products			
*Acme Metals Inc.	100,000	2,534	1,945
Agrium Inc.	414,900	3,765	8,505
*AVX Corp.	130,700	4,963	4,728
Banister Foundation Inc.	98,700	1,431	814
*Belden Inc.	124,500	3,275	4,377
Bombardier Inc. Class B Sub. voting	300,000	3,372	5,400
*Caterpillar Inc.	34,000	2,400	2,727
*Corning Inc.	89,000	3,833	3,888
*E.I. Dupont de Nemours & Co.	35,000	3,127	3,339
Harris Steel Group Inc. Class A Non voting	213,600	2,299	1,869
*Kemet Corp.	86,000	1,098	2,803
Newbridge Networks Corp.	58,800	2,843	3,322

	No. of Shares	(in thousands) Average Cost	Market Value
Common Stock (continued)			
Industrial Products (continued)			
Nova Corp.	450,000	$ 5,786	$ 4,950
Pallet Pallet Inc.	474,500	1,572	569
Pallet Pallet Inc. Special Warrants (issued 10-23-95)	194,900	390	237
*Varity Corp.	82,300	3,716	4,171
*Vishay Intertechnology Inc.	125,374	2,646	5,392
		49,050	59,036
Merchandising			
Forzani Group Ltd. Class A	487,100	3,636	2,618
*Intimate Brands Inc. Class A	49,900	1,044	1,022
*The May Department Stores Co.	53,300	2,572	3,065
*Vons Companies Inc.	145,500	3,879	5,612
*Wal-Mart Stores Inc.	63,100	2,099	1,917
Westburne Inc.	114,700	1,186	1,118
		14,416	15,352
Metals and Minerals			
Alcan Aluminum Ltd.	75,000	2,672	3,178
*Alumax Inc.	63,500	2,265	2,655
*Asarco Inc.	73,800	2,824	3,224
Cameco Corp.	135,500	4,105	6,877
inco Ltd.	130,000	5,120	5,866
Inmet Mining Corp.	340,000	3,359	3,400
*Magma Copper Co.	76,000	1,537	2,892
Noranda Inc.	138,100	3,538	3,884
		25,420	31,976
Oil and Gas			
Ballistic Energy	257,275	1,619	1,479
Barrington Petroleum Ltd.	236,000	984	932
Canadian Natural Resources Ltd.	84,700	1,313	1,694
Dorset Exploration Ltd.	58,000	442	323
HCO Energy Ltd.	431,800	678	691
Jordan Petroleum Ltd.	450,000	2,257	3,600
Northrock Resources Ltd.	150,000	1,388	1,088
Northstar Energy Corp.	529,600	3,422	7,414
Penn West Petroleum Ltd.	200,000	875	1,375
Poco Petroleum Ltd.	100,000	750	1,025
Precision Drilling Corp. Class A	272,000	2,833	5,032
Renaissance Energy Ltd.	80,000	2,367	2,720
Suncor Inc.	56,900	1,821	2,432
Suncor Inc. Instalment Receipts	125,000	2,256	2,266
		23,005	32,071
Paper and Forest Products			
Abitibi-Price Inc.	348,400	6,558	6,837
Avenor Inc.	170,000	4,540	3,974
*Federal Paper Board Co. Inc.	94,000	3,012	6,657
		14,110	17,468
Transportation & Environmental Services			
Air Canada Class A Non voting	218,400	1,178	906
Laidlaw Inc. Class B Non voting	274,100	3,540	3,769
Trimac Ltd.	238,600	2,963	2,983
		7,681	7,658
Telecommunications			
*Motorola Inc.	65,000	5,369	5,058
Utilities			
*American Telephone and Telegraph Co.	45,000	3,168	3,978
†Telefonos de Mexico S.A. de C.V. GDR	43,500	2,356	1,886
*Worldcom Inc.	56,700	2,336	2,729
		7,860	8,593
Total Investments		$ 246,433	$ 307,844
Net Assets:			
Total investments			$ 307,844
Short term debt instruments			30,481
Cash and other net assets			2,351
			$ 340,676

** United States Investments*
† Global Depository Receipts - Mexican Investments

See accompanying notes to financial statements.

Statements of Net Assets

as at the dates noted

(in thousands of dollars)

	Investors Mutual of Canada		Investors Summa Fund	
	(note 1(b))		*(note 1(b))*	
	December 31 1995	October 31 1994	December 31 1995	October 31 1994
	$	$	$	$
Assets				
Investments, at market value	637,127	458,552	99,041	113,591
Short term debt instruments	52,041	110,171	11,316	11,198
Accrued interest and dividends receivable	3,538	3,485	268	139
Accounts receivable	108	-	-	4
Due from brokers	33	2,037	-	1,488
Due from (to) Portfolio Funds	651	7,059	-	-
	56,371	122,752	11,584	12,829
Total assets	693,498	581,304	110,625	126,420
Liabilities				
Outstanding cheques less bank deposits and cash in transit	504	1,646	(45)	281
Due to brokers	146	9,208	233	332
Accrued expense	156	205	70	104
Accounts payable	9	285	59	10
Taxes payable (receivable) *(note 2)*	138	(11)	2	(15)
Total liabilities	953	11,333	319	712
Net assets representing unitholders' equity	692,545	569,971	110,306	125,708
Average cost of investments	504,662	371,972	87,034	105,476

Investors North American Growth Fund		Investors U.S. Growth Fund		Investors Retirement Mutual Fund		Investors [illegible] Fund		Investors Special Fund	
(note 1(b))		*(note 1(b))*						*(note 1(b))*	
December 31 1995	August 31 1994	December 31 1995	September 30 1994	December 31 1995	December 31 1994	December 31 1995	December 31 1994	December 31 1995	September 30 1994
$	$	$	$	$	$	$	$	$	$
1,018,405	865,386	459,435	290,157	1,866,121	1,520,600	1,994,158	1,379,225	307,844	208,419
153,609	139,736	91,433	113,190	119,740	155,657	128,165	157,721	30,481	39,065
3,173	1,697	839	697	4,595	5,119	4,802	4,284	638	358
18	-	-	-	14	11	3	-	-	9
878	10,436	991	360	949	640	642	585	1,153	-
232	185	(247)	17	5,594	2,771	5,024	520	272	542
157,910	152,054	93,016	114,264	130,892	164,198	138,636	163,110	32,544	39,974
1,176,315	1,017,440	552,451	404,421	1,997,013	1,684,798	2,132,794	1,542,335	340,388	248,393
1,327	9,171	(5)	1,045	2,531	3,082	3,733	1,077	(1,197)	1,886
8,212	34,117	52	4,192	14,831	2,969	23,909	8,274	520	3,513
293	305	148	132	317	307	238	241	86	102
553	938	369	664	631	705	1,239	1,577	194	345
1,082	(511)	(933)	(550)	-	-	-	-	109	-
11,467	44,020	(369)	5,483	18,310	7,063	29,119	11,169	(288)	5,846
1,164,848	973,420	552,820	398,938	1,978,703	1,677,735	2,103,675	1,531,166	340,676	242,547
788,421	708,973	267,532	186,609	1,483,911	1,291,695	1,675,432	1,221,324	246,433	172,112

On behalf of the Trustee:
Investors Group Trust Co. Ltd.

Director

Director

See accompanying notes to financial statements.

Statements of Operations

for the periods ended at the dates noted

(in thousands of dollars)

	Investors Mutual of Canada		Investors Summa Fund	
	(note 1(b))		*(note 1(b))*	
	December 31 1995	October 31 1994	December 31 1995	October 31 1994
	$	$	$	$
Investment income:				
Dividends	10,515	9,759	2,297	2,745
Interest	18,655	8,616	739	966
	29,170	18,375	3,036	3,711
Expense: *(note 5)*				
Management fees	13,160	9,340	2,236	2,639
Net service fees	82	-	23	-
Unitholder services	1,160	78	190	19
Audit fees	16	12	13	12
Custodian fees	18	10	7	13
Directors fees and expense	2	13	-	7
Goods and services tax	1,035	669	181	193
Legal fees	3	-	3	-
Registration fees and expenses	25	-	12	-
Trustee fees	329	-	56	-
Unitholder reporting expenses	112	104	87	69
Other expenses	14	9	12	6
	15,956	10,235	2,820	2,958
Income (loss) before taxes	13,214	8,140	216	753
Income & withholding taxes *(note 2)*	(313)	(108)	(77)	48
Net income (loss) *(note 4)*	12,901	8,032	139	801
Distributed to unitholders *(notes 3 & 4)*	13,035	9,086	2,011	637
Realized profit (loss) from investments and foreign exchange				
Proceeds from sales	160,316	178,924	84,202	65,379
Cost of investments sold	148,188	144,722	73,934	57,999
Net realized profit	12,128	34,202	10,268	7,380
Net profit (loss) from foreign exchange	(69)	(1)	(67)	(5)
Total realized profit from investments and foreign exchange	12,059	34,201	10,201	7,375
Unrealized appreciation, beginning of period	75,817	111,510	8,219	18,159
Net unrealized appreciation (depreciation)	56,648	(24,930)	3,788	(10,044)
Net unrealized appreciation (depreciation) from foreign exchange on cash and short term debt instruments	(1)	-	3	-
Unrealized appreciation, end of period	132,464	86,580	12,010	8,115

Investors North American Growth Fund		Investors U.S. Growth Fund		Investors Retirement Mutual Fund		Investors Canadian Equity Fund		Investors Special Fund	
(note 1(b))		*(note 1(b))*						*(note 1(b))*	
December 31 1995	August 31 1994	December 31 1995	September 30 1994	December 31 1995	December 31 1994	December 31 1995	December 31 1994	December 31 1995	September 30 1994
$	$	$	$	$	$	$	$	$	$
18,464	10,235	10,665	5,180	36,102	31,538	34,978	23,908	6,137	1,572
11,884	8,063	4,619	4,038	11,097	10,040	11,368	8,372	2,432	1,639
30,348	18,298	15,284	9,218	47,199	41,578	46,346	32,280	8,569	3,211
21,339	18,126	9,553	8,028	36,425	32,359	36,365	27,089	6,136	4,348
224	-	106	-	763	-	1,196	-	94	-
1,873	-	817	-	3,213	723	3,117	612	535	-
58	8	11	13	12	12	14	12	11	15
24	32	17	14	21	15	27	26	19	20
3	18	2	11	-	-	-	-	2	9
1,421	1,289	587	568	2,864	2,394	2,855	2,002	440	311
61	26	5	-	3	-	3	-	3	-
48	-	43	-	65	19	155	48	17	-
533	-	239	-	910	809	908	677	153	-
354	250	126	64	357	278	309	210	74	74
31	31	15	15	39	57	29	25	14	10
25,969	19,780	11,521	8,713	44,672	36,666	44,978	30,701	7,498	4,787
4,379	(1,482)	3,763	505	2,527	4,912	1,368	1,579	1,071	(1,576)
(2,787)	(932)	(2,894)	(227)	-	-	(293)	(350)	(479)	(43)
1,592	(2,414)	869	[illegible]	2,527	4,912	1,075	1,229	592	(1,619)
8,476	4,603	579	-	-	-	1,082	1,265	2,171	-
248,151	785,814	83,351	83,511	387,979	471,639	370,065	395,078	73,270	113,847
203,856	684,668	53,275	38,782	326,503	372,788	329,436	320,807	61,955	112,085
44,295	101,146	30,076	44,729	61,476	98,851	40,629	74,271	11,315	1,762
763	577	(477)	3,197	(85)	99	(211)	17	73	95
45,058	101,723	29,599	[illegible]	61,391	98,950	40,418	74,288	11,388	1,857
107,533	172,211	112,517	134,576	228,905	308,451	157,901	238,710	29,084	35,493
123,398	(15,668)	80,922	(29,878)	153,305	(79,546)	160,825	(80,809)	32,327	953
(990)	(539)	(1,608)	(2,242)	2	-	-	-	(9)	(418)
229,941	156,004	191,831	102,456	382,212	228,905	318,726	157,901	61,402	36,028

See accompanying notes to financial statements.

Statements of Changes in Net Assets

for the periods ended at the dates noted

(in thousands of dollars)

	Investors Mutual of Canada		Investors Summa Fund	
	(note 1(b))		*(note 1(b))*	
	December 31 1995	October 31 1994	December 31 1995	October 31 1994
	$	$	$	$
Net assets, beginning of period	645,534	446,620	122,518	124,915
Net income (loss)	12,901	8,032	139	801
Proceeds from sale of units less commission paid	70,216	281,915	11,912	43,031
Income reinvested	12,348	8,462	2,009	637
Capital gains reinvested	-	-	3,602	-
Return of capital reinvested	3,159	-	535	-
Payment on redemption of units	(104,125)	(175,243)	(38,254)	(40,370)
Income distributed to unitholders *(notes 3 & 4)*	(13,035)	(9,086)	(2,011)	(637)
Capital gains distributed to unitholders *(note 4)*	-	-	(3,601)	-
Return of capital distributed to unitholders	(3,159)	-	(535)	-
Realized profit from investments and foreign exchange	12,059	34,201	10,201	7,375
Net unrealized appreciation (depreciation)	56,647	(24,930)	3,791	(10,044)
Net assets, end of period	692,545	569,971	110,306	125,708

Statements of Changes in Investments

for the periods ended at the dates noted

(in thousands of dollars)

	Investors Mutual of Canada		Investors Summa Fund	
	(note 1(b))		*(note 1(b))*	
	December 31 1995	October 31 1994	December 31 1995	October 31 1994
	$	$	$	$
Investments at average cost, beginning of period	486,903	311,789	102,588	98,426
Add: Cost of investments purchased	165,947	204,905	58,380	65,049
Deduct: Cost of investments sold	148,188	144,722	73,934	57,999
Investments at average cost, end of period	504,662	371,972	87,034	105,476

Investors North American Growth Fund		Investors U.S. Growth Fund		Investors Retirement Mutual Fund		Investors Canadian Equity Fund		Investors Special Fund	
(note 1(b))		*(note 1(b))*						*(note 1(b))*	
December 31 1995	August 31 1994	December 31 1995	September 30 1994	December 31 1995	December 31 1994	December 31 1995	December 31 1994	December 31 1995	September 30 1994
$	$	$	$	$	$	$	$	$	$
993,363	875,458	424,931	402,912	1,677,735	1,484,737	1,531,166	1,097,626	281,859	186,274
1,592	(2,414)	869	278	2,527	4,912	1,075	1,229	592	(1,619)
179,856	340,597	130,920	136,278	364,899	477,823	654,412	701,080	58,305	135,186
8,433	4,576	577	-	-	-	892	1,265	2,169	-
5,510	43,052	-	-	-	-	-	47,550	2,127	1,895
4,998	-	2,221	-	8,155	-	7,629	-	1,406	-
(177,390)	(325,719)	(112,811)	(156,336)	(281,156)	(309,141)	(284,031)	(262,248)	(43,784)	(79,686)
(8,476)	(4,603)	(579)	-	-	-	(1,082)	(1,265)	(2,171)	-
(5,506)	(43,043)	-	-	-	-	-	(47,550)	(2,127)	(1,895)
(4,998)	-	(2,221)	-	(8,155)	-	(7,629)	-	(1,406)	-
45,058	101,723	29,599	47,926	61,391	98,950	40,418	74,288	11,388	1,857
122,408	(16,207)	79,314	(32,120)	153,307	(79,546)	160,825	(80,809)	32,318	535
1,164,848	973,420	552,820	398,938	1,978,703	1,677,735	2,103,675	1,531,166	340,676	242,547

Investors North American Growth Fund		Investors U.S. Growth Fund		Investors Retirement Mutual Fund		Investors Canadian Equity Fund		Investors Special Fund	
(note 1(b))		*(note 1(b))*						*(note 1(b))*	
December 31 1995	August 31 1994	December 31 1995	September 30 1994	December 31 1995	December 31 1994	December 31 1995	December 31 1994	December 31 1995	September 30 1994
$	$	$	$	$	$	$	$	$	$
691,751	568,444	209,531	172,038	1,291,695	1,024,975	1,221,324	744,370	199,753	115,933
300,526	825,197	111,276	53,353	518,719	639,508	783,544	797,761	108,635	168,264
203,856	684,668	53,275	38,782	326,503	372,788	329,436	320,807	61,955	112,085
788,421	708,973	267,532	185,609	1,483,911	1,291,695	1,675,432	1,221,324	246,433	172,112

See accompanying notes to financial statements.

Investors Global Fund

RRSP foreign content eligible

Martin Fahey
Portfolio Manager

Investors Global Fund Manager Martin Fahey, a member of the Institute of Investment Management and Research (IIMR), joined I.G. International Management Limited of Dublin, Ireland, in 1993. He holds Bachelor of Commerce and Masters of Business Science degrees from University College, Galway, Ireland.

Investors Global Fund provides investors with potential long-term growth through a portfolio of shares in some of the world's largest and best-managed companies.

Performance:

Global economic growth, low inflation, and falling interest rates over the past 12 months prompted strong showings in many of the world's equity markets. This had a favourable impact on the Fund's performance. In some cases, however, returns were affected by considerable volatility in Canadian and international currencies throughout the year.

The Fund's significant holdings of U.S. equities allowed it to benefit from the extremely strong performance of U.S. stock markets. The upward movement of European markets also contributed to the Fund's performance. However, gains by the Japanese component of the Fund's portfolio were offset by a decrease in the value of the yen in the second half of 1995.

Over the 12-month period, the Fund reduced holdings of Japanese equities and increased its U.S. and European weightings. Toward the end of the year, some U.S. holdings were sold and the proceeds reinvested in continental Europe.

Outlook

Global markets should continue to rally in the early part of 1996, driven by the prospect of lower interest rates, especially in continental Europe and North America. Under this scenario, continental European and emerging markets should be good performers.

Financial Highlights*

Total net assets	$ 842,103,443
Number of Unitholders	29,442
Asset value per unit:	
High	$ 9.23
Low	$ 7.93
Close	$ 8.96
Capital gains distributed per unit	$ 0.288
Capital gains distributed	$ 26,411,381

Performance Highlights*

1 yr	3 yr	5 yr
13.61 %	13.84 %	11.84 %
Inflation**		
1.7 %	1.2 %	1.9 %

* Returns are compound rates of return and do not include acquisition or redemption fees but are net of management fees and include reinvestment of all income. Effective October 1, 1994, the Fund became responsible for the payment of a service fee and for its own day-to-day operating expenses. Effective January 1, 1995, the Fund began to operate as a unit trust and began to pay a trustee fee. These changes decreased the Fund's performance. These illustrations are intended to show the historical growth pattern of the Fund, and offer no indication of what its future performance will be.

** As measured by the Consumer Price Index, December 31, 1995.

Asset Mix

When you invest in this Fund, your money buys common shares of companies from around the world. Initially, regions whose economies present opportunities for long-term growth are selected. Then, within those regions, companies are selected for the Fund based on their potential for value increases.

1	**Stocks**	**90.2 %**
	Austria	0.4 %
	Australia	0.4 %
	Denmark	0.6 %
	Finland	0.6 %
	France	2.6 %
	Germany	3.7 %
	Hong Kong	2.5 %
	Indonesia	1.3 %
	Italy	2.1 %
	Japan	22.9 %
	Malaysia	1.8 %
	Netherlands	2.2 %
	New Zealand	0.5 %
	Norway	4.3 %
	Philippines	0.1 %
	Singapore	1.8 %
	South Korea	1.3 %
	Spain	1.1 %
	Sweden	1.6 %
	Switzerland	2.3 %
	Thailand	1.4 %
	United Kingdom	7.3 %
	United States	27.2 %
	Vietnam	0.2 %
2	**Cash**	**9.8 %**

Investors Global Fund

Statement of Investments

as at December 31, 1995

Common Stock	No. of Shares	Average Cost (in thousands)	Market Value (in thousands)
Australia			
The Broken Hill Proprietary Company Limited	71,020	$ 1,192	$ 1,370
National Australian Bank Ltd.	153,338	1,242	1,883
		2,434	3,253
Austria			
Flughafen Wien Ag (Vienna Airport)	22,000	1,460	2,024
Va Technologie Ag	8,000	1,127	1,385
		2,587	3,409
Denmark			
Danisco Ab	49,975	3,161	3,295
Martin Grouppen Als	25,400	1,682	1,812
		4,843	5,107
Finland			
Cultor OY	50,000	2,869	2,826
Nokia Ab A Share	50,000	4,021	2,638
		6,890	5,464
France			
Banque Nationale De Paris	18,709	1,150	1,153
Canal +	1,000	201	256
Christian Dior	6,500	902	958
Credit Commercial De France	10,000	688	697
Essilor International	20,000	3,346	5,225
Grandoptical Photo Services	12,200	1,654	1,628
LVMH Moet Hennessy Louis Vuitton	5,000	999	1,423
Sanofi Sa	35,200	2,070	3,084
Seita	50,300	1,916	2,492
Societe Assurances Generales De France	6,000	284	275
Technip Sa	30,000	1,922	2,822
Total Compagnie Francaise des Petroles B	25,000	1,959	2,306
		17,051	22,319
Germany			
Adidas Ag	76,000	5,554	5,492
Apcoa Parking Ag	50,500	3,886	4,524
Commerzbank Ag	10,000	3,085	3,227
Fresenius Ag - Preferred	13,280	1,105	1,719
Hoechst Ag	7,000	2,332	2,592
Kiekert Ag	24,000	1,889	1,947
Mannesmann Ag	13,000	3,964	5,652
Sap Ag Preference	5,000	885	1,033
Sgl Carbon Ag	10,660	929	1,126
Veba Ag	60,000	1,967	3,479
		25,596	30,791
Hong Kong			
Cdl Hotels International Ltd.	2,513,774	1,817	1,730
China Light & Power Company	264,000	1,941	1,659
Hong Kong Aircraft Engineering Co. Ltd.	600,000	2,496	2,118
Hongkong Electric Holdings Ltd.	400,000	1,901	1,790
Hongkong Land Holdings Ltd.	823,589	2,251	2,080
HSBC Holdings Plc	150,000	2,506	3,098
Hutchison Whampoa Ltd.	285,000	2,002	2,369
Jardine Matheson Holdings Ltd.	355,632	3,654	3,326
Kumagai Gumi (Hong Kong) Ltd.	2,000,000	2,323	1,977
Pioneer Industries Holding	1,050,000	988	1,112
Sun Hung Kai Properties Ltd.	150,000	1,671	1,675
Swire Pacific Ltd. Class A	242,000	2,507	2,563
Wing On Company	480,000	718	637
		26,775	26,134
Indonesia			
PT Dharmala Intiland	1,950,000	2,432	1,458
PT Fajar Surya Wisea	1,000,000	1,280	643
PT Indonesia Satellite Corp.	300,000	$ 1,562	$ 1,489
PT Lippo Land Development	1,107,500	1,783	960
PT Mulia Industrindo	412,900	1,213	1,593
PT Mustika Ratu	281,000	465	605
PT Semen Gresik	170,000	614	651
PT Tjiwi Kimia	1,265,161	1,807	1,588
PT Tri Polyta ADR	25,000	628	469
PT United Tractors	675,000	2,028	1,736
		13,812	11,192
Italy			
Gucci Group Nv	20,000	602	1,061
Industria Macchine Automatiche	150,000	757	1,382
Industrie Natuzzi Spa	26,000	1,323	1,611
Pagnossin Spa	235,500	1,235	1,438
Saes Getters Spa	319,050	5,248	7,649
Safilo	161,000	1,925	2,849
Telecom Italia Mobile Spa - Savings	1,295,000	1,741	1,862
		12,831	17,852
Japan			
Acom Co. Ltd.	81,000	3,015	4,626
Autobacs Seven Co. Ltd.	20,000	2,526	2,267
Canon Inc.	280,000	4,713	6,922
Chofu Seisakusho	83,000	2,761	3,039
Chudenko Corporation	141,000	6,454	6,599
Danto	198,000	3,030	3,350
Eisai Co., Ltd.	268,000	6,090	6,413
Fanuc Ltd.	95,000	5,360	5,614
Fuji Photo Film Co., Ltd.	222,000	6,931	8,746
Fukuda Denshi	109,000	3,582	3,992
Hokkaido Electric Power	81,600	2,776	2,589
Isewan Terminal Service	184,000	1,503	1,581
Itariyard Co Ltd.	97,000	3,762	4,616
Ito-Yokado Co., Ltd.	95,000	3,685	7,988
JGC Corporation	338,800	7,132	4,871
Kahma Co Ltd.	97,500	2,296	2,359
Kawasaki Steel	1,150,000	6,387	5,473
Kuraya Corporation	154,000	3,200	3,135
Kyocera Corporation	64,000	5,398	6,489
Kyushu Electric Power	77,164	2,793	2,489
Mitsubishi Heavy Industries, Ltd.	800,000	6,575	8,704
Mitsui Fudosan	335,000	5,003	5,624
Miura	112,000	2,359	2,339
Nifco Inc.	160,000	2,747	2,856
Nishimatsu Construction Co., Ltd.	459,000	6,726	7,342
Nisshin Steel Co Ltd.	1,100,000	5,768	6,064
Ntn Corporation	481,000	4,199	4,388
Sanoh Industrial	140,000	1,615	1,499
Sanyo Shinpan Finance Co. Ltd.	30,900	3,168	3,472
Sekisui Chemical Co., Ltd.	430,000	5,472	8,641
Sekisui House Ltd.	350,000	5,965	6,108
Sumitomo Trust & Banking	358,000	7,004	6,910
Suzuki Motor Corporation	540,000	7,868	8,210
Toppan Printing Co. Ltd.	410,000	7,153	7,371
Toshiba Corporation	536,000	5,114	5,733
Wakita & Co.	132,000	2,696	2,530
Yamaichi Securities	802,000	8,346	8,514
Yurtec Corporation	154,500	3,961	3,697
		175,133	193,160
Malaysia			
Commerce Asset Holdings Bhd	200,000	1,461	1,377
IJM Corporation Bhd	500,000	1,345	1,086
Leader Universal Holdings Bhd	300,000	1,498	936
Malayan Banking Bhd	250,000	1,325	2,877

See accompanying notes to financial statements.

Investors Global Fund

Statement of Investments

as at December 31, 1995

Common Stock (continued)	No. of Shares	Average Cost (in thousands)	Market Value (in thousands)
Malaysia (continued)			
Malaysian International Shipping Corp. Bhd	749,667	$ 2,991	$ 2,681
Resorts World Berhad	250,000	2,047	1,828
Sime Darby Bhd - Malaysia	500,000	1,124	1,815
Sungei Way Holdings Berhad	523,000	3,066	2,574
		14,857	15,174
Netherlands			
Content Beheer	83,771	2,852	3,070
Heineken Nv	12,500	819	3,033
Internationale Nederlanden Groep Nv	40,000	2,326	3,654
Nutricia Veremig De Bedrijuem	18,000	1,822	1,991
Ver Ned Uitgeversbedr Ver Bezit Nv	35,000	6,084	6,571
		13,903	18,319
New Zealand			
Brierley Investments Ltd.	3,500,000	3,545	3,781
Norway			
Ark	45,000	995	1,009
Christiania Bank Og Kreditkasse	925,000	2,904	2,931
Fokus Banken As	450,000	3,129	3,323
Hafslund Nycomed As A Free shares	100,000	4,537	3,557
Merkantildata	274,600	2,749	4,204
Nera As	120,000	2,915	5,330
Sysdeco Group As	187,000	5,610	6,975
Tanberg As	120,200	2,065	1,970
Transocean As	117,212	1,500	2,767
Unistorebrand As A shares	500,000	3,311	3,773
		29,715	35,839
Philippines			
Philippine National Bank	49,060	844	741
Singapore			
Development Bank of Singapore Limited	100,000	831	1,700
Keppel Corporation Limited	200,000	1,150	2,434
Overseas Chinese Banking Corporation	69,000	1,010	1,180
Singapore Airlines Limited	180,000	2,010	2,295
Wing Tai Holdings Limited	705,000	1,907	1,968
		6,908	9,577
South Korea			
Bank of Seoul	88,000	1,279	1,042
Daewoo Heavy Industries	30,000	595	446
Hanshin Securities Co.	38,000	1,216	923
Inchon Iron & Steel Co.	22,000	1,308	1,138
Korea Electric Power	38,000	1,948	2,245
Korea Reinsurance	24,035	1,215	1,269
LG Electronics	20,000	1,095	951
Moon Bae Steel Co. Ltd.	10,000	717	581
Samsung Electronic Co. Ltd.	5,000	1,097	1,241
Samsung Electronic Co. Ltd. (New)	62	9	15
Ssangyong Oil Refining Co.	30,000	1,232	1,162
		11,711	11,013
Spain			
Banco Popular Espanol	12,000	2,002	3,023
Corporacion Mapfre Cia Inter	50,000	3,174	3,823
Repsol, Sa	58,900	2,434	2,636
		7,610	9,482
Sweden			
Astra Ab A Free Shares	50,000	1,852	2,724
Autoliv Ab	25,000	2,035	1,994
Frontec Ab - B Shares	42,000	1,373	1,649
L.M. Ericsson-Class B Free Shares	32,600	862	871
Nordbanken Ab	99,250	1,928	2,336
Om Gruppen Ab	134,700	$ 2,372	$ 2,770
Svenska Handelsbanken A Shares	50,000	1,386	1,419
		11,808	13,763
Switzerland			
Ciba - Geigy Ag - Registered	6,650	6,819	7,992
Logitech International - Registered	250	34	35
Roche Holdings Ag Genusscheine DRC	1,020	8,141	11,020
		14,994	19,047
Taiwan			
Taiwan Opportunities Fund Ltd.	30,000	427	363
Thailand			
Christiani & Nielsen Thai	400,000	1,500	661
Ind. Finance Corp. of Thailand	300,000	857	1,391
National Petrochemical Co. Pte	750,000	2,785	1,993
The Siam Cement Co., Ltd.	61,400	2,303	4,647
The Thai Farmers Bank Ltd.	200,000	473	2,754
		7,918	11,446
United Kingdom			
Abbey National plc	275,000	3,506	3,708
Baa plc	325,000	3,358	3,342
Bass plc	175,000	2,331	2,666
British Aerospace plc	160,000	1,770	2,700
British Airways plc	350,000	3,255	3,458
The British Petroleum Company plc	350,000	3,307	3,996
British Telecommunications plc	315,000	2,877	2,364
Burmah Castrol plc	50,000	1,061	990
Cmg plc	40,000	242	280
Commercial Union plc	230,000	2,875	3,062
Cookson Group plc	300,000	1,716	1,946
East Midlands Electricity plc	150,000	2,254	2,120
Electrocomponents plc	305,000	1,709	2,325
Forte plc	350,000	1,977	2,453
General Electric plc	500,000	3,514	3,763
Lloyds Tsb Group plc	338,000	2,438	2,372
National Westminster Bank plc	175,000	2,078	2,406
Next plc	280,000	2,044	2,707
Powergen plc	100,000	1,233	1,129
Smithkline Beecham plc - Class A	200,000	1,961	3,011
Southern Water plc	250,000	3,717	3,644
Thorn EMI plc	80,000	1,739	2,572
WPP Group plc	650,000	1,703	2,288
Zeneca Group plc	90,000	1,742	2,377
		54,407	61,679
United States			
AFLAC Incorporated	200,000	4,915	11,843
Alleghany Corporation	23,280	4,533	6,293
American Express Company	248,300	11,669	14,068
American Media Inc. Class A	98,200	1,510	570
Duty Free International, Inc.	70,100	985	1,531
Federal Home Loan Mortgage Corporation	248,100	12,660	28,282
Federal National Mortgage Association	187,700	16,610	31,807
First Colony Corporation	6,300	213	218
Greenpoint Financial Corporation	27,400	890	1,001
The Interpublic Group of Companies, Inc.	79,800	2,751	4,725
J.P. Morgan & Co. Incorporated	99,550	7,506	10,468
Lehman Brothers Holdings, Inc.	105,200	2,100	3,052
Mattel, Inc.	86,850	2,723	3,646
McDonald's Corporation	204,000	8,408	12,567
Nike, Inc. Class B	85,520	3,688	8,129
Philip Morris Companies Inc.	135,100	9,057	16,646
Polaris industries Inc.	63,450	2,586	2,545
The Progressive Corp. of Ohio	61,750	2,894	4,120
Salomon Inc.	286,850	14,935	13,902

Investors Global Fund

Statement of Investments

as at December 31, 1995

		(in thousands)	
Common Stock (continued)	**No. of Shares**	**Average Cost**	**Market Value**
United States (continued)			
Student Loan Marketing Association	381,100	$ 17,374	$ 34,338
The Topps Company, Inc.	615,100	4,439	4,304
Torchmark Corporation	41,650	2,038	2,573
Ust Inc.	278,000	11,472	12,666
		145,956	229,294
Vietnam			
Beta Viet Nam Fund	100,000	1,292	1,195
Beta Viet Nam Fund Warrants	20,000	46	102
		1,338	1,297
Total Investments		$ 613,933	$ 759,496
Net Assets:			
Total investments			$ 759,496
Short term debt instruments			48,194
Cash and other net assets			34,413
			$ 842,103

See accompanying notes to financial statements.

Investors European Growth Fund

RRSP foreign content eligible

Derek M. Smith
General Manager

Investors European Growth Fund is managed by Derek Smith of I.G. International Management Limited, located in Dublin, Ireland. Derek, who joined Investors Group in 1959, has managed the Fund since its inception in 1990. Derek holds Bachelor of Business Administration and Master of Business Administration degrees.

Investors European Growth Fund is structured to provide investors with long-term capital growth. Its diversified portfolio of stocks trades on markets in continental Europe and the United Kingdom.

Performance

In general, European stock markets performed well during 1995. Economic recovery, increasing corporate earnings, and a favourable interest-rate environment led to record-breaking equity prices in some markets. A strengthening U.S. dollar later in the year boosted earnings prospects for European exporters.

The Fund remained well diversified over the year. A large proportion of U.K. stocks allowed the Fund to benefit from a generous increase in British share prices. Holdings in France were reduced as political instability caused equity valuations to suffer. Holdings of German stocks were increased toward year-end. The Fund's emphasis shifted toward companies specializing in consumer services, pharmaceuticals, consumer luxury goods, and engineering and plant equipment.

Outlook

With central banks expected to reduce interest rates in an effort to stimulate economies, European markets are well positioned to make gains in 1996. Continental European markets remain acceptably valued, and economic recovery expected in the last half of the year is a positive sign for corporate earnings.

Financial Highlights*

Total net assets	$ 741,907,530
Number of Unitholders	66,244
Asset value per unit:	
High	$ 7.88
Low	$ 6.76
Close	$ 7.82
Capital gains distributed per unit	$ 0.085
Capital gains distributed	$ 8,010,131

Performance Highlights*

1 yr	3 yr	5 yr
15.24 %	14.16 %	10.76 %
Inflation**		
1.7 %	1.2 %	1.9 %

* Returns are compound rates of return and do not include acquisition or redemption fees but are net of management fees and include reinvestment of all income. Effective October 1, 1994, the Fund became responsible for the payment of a service fee and for its own day-to-day operating expenses, which decreased the Fund's performance. These illustrations are intended to show the historical growth pattern of the Fund, and offer no indication of what its future performance will be.

** As measured by the Consumer Price Index, December 31, 1995.

Asset Mix

Investors European Growth Fund provides an opportunity for you to invest in common shares of European companies and to share in the growth of corporate earnings.

1	**Stocks**	**89.5 %**
	Austria	1.0 %
	Denmark	0.6 %
	France	10.8 %
	Germany	11.2 %
	Ireland	1.9 %
	Italy	1.9 %
	Netherlands	10.7 %
	Norway	1.0 %
	Spain	2.2 %
	Sweden	1.7 %
	Switzerland	9.7 %
	United Kingdom	36.8 %
2	**Cash**	**10.5 %**

Investors European Growth Fund

Statement of Investments

as at December 31, 1995

	Par * Value	(in thousands) Average Cost	Market Value
Bonds			
Corporate - Convertible			
AXA 4.5% 01-01-99	7,333	$ 621	$ 712
Common Stock	No. of Shares		
Austria			
Oesterr Elekt (Verbund) Ag	41,000	3,443	3,362
VA Technologie Ag	22,000	2 877	3,810
		6,320	7,172
Denmark			
Unidanmark A/S A Reg	66,000	3,675	4,465
France			
AXA	145,000	9,991	13,355
Carrefour	5,000	3 485	4 146
Compagnie Generale Des Eaux	25,000	3 359	3,411
Danone Group	20,000	4 623	4,510
L'Air Liquide	40,500	7 905	9 167
L'Oreal	10,000	2,516	3,659
Legrand Sa	37,460	5 811	7,904
LVMH Moet Hennessy Louis Vuitton	32,000	6 929	9,110
Sanofi Sa	61,000	3,852	5,344
Seita	78,057	2 366	3,867
Societe Generale	90,000	14,349	15,197
		65 574	79,670
Germany			
Adidas Ag	3,000	135	217
Allianz Ag	5,800	14,548	15,439
Bayer Ag	24,000	6 183	8 648
Bayerische Motoren Werke Ag	10,772	7 356	7,537
Commerzbank Ag	10,500	3 136	3,389
Man Ag Ordinary	17,000	6,391	6,279
Mannesmann Ag	32,000	11 617	13,913
Siemens Ag	21,000	13,517	15,694
Veba Ag	205,000	3,966	11,885
		73 153	83,001
Hungary			
OTP Bank - Global Deposit Receipts	30,000	390	293
Ireland			
Bank of Ireland	1,000,000	6 399	10,279
CRH plc	350,000	3 001	3,622
		9,400	13 901
Italy			
Assicurazioni Generali Spa	185,000	6 318	6,118
Gucci Group Nv	20,000	602	1,061
Italcementi Fabbriche Reunit	250,000	2,553	2,043
Olivetti Spa	2,000,000	2,188	2,211
Telecom Italia Mobile Spa - Savings	2,000,000	2 738	2,876
		14,399	14,309
Netherlands			
ABN Amro Holdings Nv	165,000	9,291	10,279
Ahold Nv	185,000	7,834	10,327
Elsevier Nv	200,000	3,352	3,647
Heineken Nv	42,250	7 673	10,251
Internationale Nederlanden Groep Nv	70,000	4,410	6,395
KLM (Royal Dutch Airlines)	76,270	2,993	3,666
Nutricia Veremig De Bedrijuem	30,000	3,131	3,318
Polygram Nv	44,000	2,263	3,195
Royal Dutch Petroleum Co. Nv	64,000	8,770	12.228
Unilever Nv	46,000	7,489	8,761
Wolters Klumer Groep Nv	55,000	5,255	7,115
		62,461	79,182
Norway			
Christiania Bank Og Kreditkasse	525,000	1,620	1,664
Norsk Hydro As Ordinary	95,000	5,942	5,448
		7,562	7,112

	No. of Shares	(in thousands) Average Cost	Market Value
Common Stock (continued)			
Portugal			
Portugal Telecom Sa - ADS	6,000	$ 155	$ 155
Portugal Telecom Sa - Ordinary	8,000	206	206
		361	361
Spain			
Banco Popular Espanol	32,000	6,166	8,060
Centros Commerciales Pryca Sa	65,950	1,398	1,890
Empresa Nacional de Electricidad Sa	80,000	5,637	6,189
		13,201	16,139
Sweden			
Astra Ab A Free Shares	130,000	4,457	7,083
Svenska Handelsbanken A Shares	186,000	5,183	5,277
		9,640	12,360
Switzerland			
Alusuisse - Lonza Ag - Registered	6,500	4,431	7,034
BBC Brown Boveri Ag A Bearer	5,100	4,512	8,092
CIBA - Geigy Ag - Registered	7,500	8,401	9,013
Nestle Sa Registered	6,000	6,391	9,065
Roche Holdings Ag Genusseheine DRC	600	4,414	6,482
Sandoz Ag Registered	11,000	8,873	13,754
Swiss Bank Corporation - Bearer	18,000	9,002	10,038
Winterthur Insurance Group - Registered	8,500	6,260	8,212
		52,284	71,690
United Kingdom			
Abbey National plc	950,000	12,095	12,810
BAA plc	700,000	7,264	7,198
Barclays Bank plc	750,000	8,887	11,751
Bass plc	1,100,000	13,166	16,757
Bat Industries plc	1,150,000	11,908	13,837
British Aerospace plc	730,000	7,965	12,317
British Airways plc	1,400,000	13,282	13,832
The British Petroleum Company plc	1,300,000	11,429	14,843
British Telecommunications plc	1,050,000	9,142	7,881
Burmah Castrol plc	250,000	5,174	4,948
Commercial Union plc	875,000	10,469	11,651
Enterprise Oil plc	800,000	6,377	6,717
Forte plc	800,000	4,551	5,606
General Electric plc	1,500,000	10,185	11,290
Legal & General Group plc	675,000	7,294	9,589
Lloyds TSB Group plc	811,200	5,917	5,693
National Westminster Bank plc	525,000	6,192	7,219
Nynex Cablecomms Group plc	350,000	1,057	839
Reed International plc	250,000	5,288	5,203
Rentokil Group plc	1,400,000	9,353	9,944
Reuters Holdings plc	400,000	5,273	4,999
Scottish Newcastle plc	650,000	8,716	8,448
Severn Trent plc	200,000	2,839	2,915
Siebe plc	600,000	6,906	10,094
Smithkline Beecham plc - Class A	1,000,000	8,952	15,054
Smiths Industries plc	750,000	7,212	10,113
Thames Water plc	400,000	4,624	4,762
Thorn EMI plc	120,000	2,800	3,858
Tomkins plc	2,025,000	10,879	12,086
Vendome Luxury Group plc - Units	400,000	4,888	4,978
Zeneca Group plc	230,000	4,527	6,074
		234,611	273,306
		552,987	662,961
Total Investments		$ 553,608	$ 663,673

Net Assets:	
Total Investments	$ 663,673
Short term debt instruments	62,092
Cash and other net assets	16,143
	$ 741,908

* *See Note 13 to the financial statements.*

See accompanying notes to financial statements.

Investors Pacific International Fund

RRSP foreign content eligible

Jeremy Higgs
Managing Director

Investors Pacific International Fund is managed by I.G. International Management Limited. Fund advisor is Jeremy Higgs, managing director of Carlson Investment Management Far East Ltd., an affiliate of Carlson Investment Management Ltd., a Swedish company that provides professional investment management throughout the world. Jeremy, a native of the U.K., has lived in Hong Kong for 18 years.

Investors Pacific International Fund provides investors with the potential of long-term capital growth by investing in shares of Asian and Pacific Rim value-oriented and growth-oriented companies.

Performance

A year of volatility in Asian and Pacific Rim equity markets detracted from the Fund's performance during the past 12 months.

Rising interest rates dampened most Asian markets early in the year, although prospects improved later when U.S. interest rates began a downtrend. As the direction of interest rates became clearer, the Fund moved closer to a fully-invested position, buying shares of companies in Hong Kong, Malaysia, Indonesia, the Philippines, and New Zealand. The Fund's fully invested strategy left it well positioned to benefit from upswings in markets in Hong Kong, Australia, and South Korea. This helped offset general declines in Malaysia, Thailand, and the Philippines.

Outlook

Lower interest rates have improved investor sentiment toward Asian markets. The Fund remains fully invested to take advantage of market gains expected during the first half of 1996. Strong economic fundamentals, high savings rates, and a young population support the outlook for favourable long-term economic performance in the region.

Financial Highlights*

Total net assets	$ 1,146,531,383
Number of Unitholders	129,053
Asset value per unit:	
High	$ 12.57
Low	$ 10.63
Close	$ 11.97

Performance Highlights*

1 yr	3 yr	5 yr
1.36 %	21.14 %	20.27 %
Inflation**		
1.7 %	1.2 %	1.9 %

* Returns are compound rates of return and do not include acquisition or redemption fees but are net of management fees and include reinvestment of all income. Effective October 1, 1994, the Fund became responsible for the payment of a service fee and for its own day-to-day operating expenses, which decreased the Fund's performance. These illustrations are intended to show the historical growth pattern of the Fund, and offer no indication of what its future performance will be.

** As measured by the Consumer Price Index, December 31, 1995.

Asset Mix

When you invest in Investors Pacific International Fund, your money buys common shares of Asian and Pacific Rim companies, excluding Japan.

1	**Stocks**	**95.9 %**
	Australia	10.0 %
	China	0.3 %
	Hong Kong	20.7 %
	India	1.1 %
	Indonesia	8.8 %
	Malaysia	12.2 %
	New Zealand	5.8 %
	Philippines	2.4 %
	Singapore	13.3 %
	South Korea	8.3 %
	Sri Lanka	0.2 %
	Taiwan	2.6 %
	Thailand	9.9 %
	Vietnam	0.3 %
2	**Cash**	**4.1 %**

Investors Pacific International Fund

Statement of Investments

as at December 31, 1995

	Par * Value	(in thousands) Average Cost	Market Value
Bonds			
Corporate - Convertible			
Far East Department Store 3.00% 07-06-01	$ 3,000,000	$ 4,156	$ 3,650
Far Eastern Textile CV 4.00% 10-07-06	1,250,000	1,429	1,971
Kangwon Industries CV 3.125% 06-30-06	1,250,000	1,441	2,022
Tung Ho Steel CV 4.00% 07-26-01	2,350,000	2,739	3,898
U-Ming Marine CV 1.5% 02-07-01	4,000,000	5,749	5,140
		15,514	16,681
Common Stock	**No. of Shares**		
Australia			
Amcor Ltd.	1,526,785	12,812	14,722
Boral Ltd.	3,161,100	12,790	10,909
The Broken Hill Proprietary Company Limited	1,161,996	16,195	22,409
Coles Myer Ltd.	2,061,104	10,286	8,766
Mayne Nickless Ltd.	1,531,007	11,780	9,324
National Australian Bank Ltd.	1,127,531	10,209	13,848
Pacific Dunlop Limited	3,702,537	18,942	11,838
Plutonic Resources Ltd.	400,000	2,825	2,598
WMC Limited Ordinary	2,263,432	13,737	19,849
		109,576	114,263
China			
Luoyang Glass Company Ltd. H Shares	11,152,000	6,340	3,917
Hong Kong			
CDL Hotels International Ltd.	15,865,399	11,372	10,921
Cheung Kong (Holdings) Limited	4,000,000	16,984	33,253
China Light & Power Company Limited	1,500,000	9,695	9,425
Great Eagle Holdings Ltd.	2,144,200	6,630	7,569
Hang Seng Bank	500,000	5,997	6,111
Hong Kong Aircraft Engineering Co. Ltd.	1,510,000	4,497	5,330
Hongkong Electric Holdings Ltd.	3,500,000	11,766	15,660
Hongkong Land Holdings Ltd.	4,893,650	9,336	12,360
Hongkong Telecommunications	3,000,000	8,266	7,307
HSBC Holdings plc	2,509,609	27,387	51,825
Hutchison Whampoa Ltd.	3,940,000	12,748	32,754
Jardine Matheson Holdings Limited	759,136	8,710	7,099
Kumagai Gumi (Hong Kong) Ltd.	3,656,000	4,433	3,614
Sun Hung Kai Properties Ltd.	1,000,000	6,185	11,164
Swire Pacific Limited Class A	1,845,000	9,923	19,538
Swire Pacific Limited Class B	5,175,000	5,300	8,814
Television Broadcasts Ltd.	1,200,000	4,108	5,835
UDL Holdings Limited	6,240,000	1,650	859
Wing On Company	5,950,000	12,501	7,902
		177,494	257,340
India			
Bajaj Auto Ltd. GDR	66,250	2,194	2,362
Great Eastern Shipping Co. GDS	150,000	3,208	1,716
Himalayan Fund	303,587	3,538	4,974
Himalayan Fund Warrants (exp. 12-31-96)	60,717	35	29
Hindalco Industries Ltd. GDR	56,000	1,154	2,609
ITC Corp GDR	60,000	672	727
		10,801	12,417
Indonesia			
PT Astra International	3,680,500	7,849	10,455
PT Bank International Indonesia	1,860,000	4,098	8,426
PT Dharmala Intiland	6,000,000	11,595	4,485
PT Duta Anggada Realty	666,660	1,247	439
PT Fajar Surya Wisea	4,123,000	4,180	2,650
PT Indah Kiat Pulp and Paper	6,007,142	4,975	6,017

	No. of Shares	(in thousands) Average Cost	Market Value
Common Stock (continued)			
Indonesia (continued)			
PT Indocement Tunggal	580,000	$ 1,968	$ 2,662
PT Indonesia Satellite Corp	1,500,000	8,067	7,445
PT Lippo Land Development	6,756,000	15,495	5,858
PT Mulia Industrindo	4,730,000	12,484	18,244
PT Mustika Ratu	2,482,000	4,133	5,343
PT Panin Bank	1,750,000	1,971	2,145
PT Semen Cibinong	1,080,000	4,660	3,681
PT Semen Gresik	1,800,000	5,116	6,889
PT Smart	1,141,000	2,199	870
PT Tira Austenite	610,000	1,156	565
PT Tjiwi Kimia	5,044,500	5,813	6,335
PT Unggul Indah Corporation	1,712,700	2,225	2,151
PT United Tractors	2,533,500	6,789	6,515
		106,020	101,175
Malaysia			
Cement Industries of Malaysia Bhd	1,411,000	3,011	6,241
DCB Holdings Bhd	1,000,000	1,841	3,980
Edaran Otomobil Nasional	400,000	2,985	4,109
IJM Corporation Bhd	2,900,000	6,595	6,301
Malayan Banking Bhd	1,650,000	6,380	18,990
Malaysia Oxgen Bhd	950,000	3,158	4,905
Malaysian International Shipping Corp. Bhd	5,253,333	14,728	18,788
Perlis Plantation Bhd	1,000,000	2,894	4,275
Public Bank Bhd	4,425,000	4,980	11,566
Resorts World Berhad	1,350,000	11,106	9,874
Sime Darby Bhd - Malaysia	4,000,000	7,254	14,520
Sungei Way Holdings Berhad	1,690,000	9,494	8,316
Syarika Telekom Malaysia Bhd	300,000	1,970	3,194
Tenaga Nasional Bhd	1,200,000	6,228	6,454
United Engineers (Malaysia) Bhd	2,149,000	5,109	18,723
		87,733	140,236
New Zealand			
Air New Zealand Ltd. - Class B	1,033,000	4,931	4,796
Brierly Investments Ltd.	25,000,000	23,215	27,007
Carter Holt Harvey Holdings Ltd.	2,400,000	4,925	7,071
Fernz Corporation Ltd.	700,000	4,002	2,525
Fletcher Challenge Limited Ordinary Division	6,575,000	16,564	20,722
Fletcher Forest Ltd.	2,463,467	4,991	4,794
		58,628	66,915
Philippines			
C & P Homes Inc.	2,400,000	1,962	2,406
Manila Electric Company B	1,150,000	1,361	12,819
Philippine Long Distance Telecom ADR	160,000	9,421	11,823
		12,744	27,048
Singapore			
Cerebos Pacific Ltd.	325,000	1,086	3,076
City Developments Ltd.	1,109,232	2,264	11,036
Cycle & Carriage	500,000	2,581	6,810
Dairy Farm International Holdings Ltd.	1,221,919	1,779	1,535
Development Bank of Singapore Limited	899,625	9,290	15,294
Hai Sun Hup Group	1,900,000	1,992	1,743
Jurong Shipyard Ltd.	500,000	4,754	5,264
Keppel Corporation Ltd.	1,500,000	9,307	18,255
Overseas Chinese Banking Corp.	644,000	6,021	11,010
Overseas Union Bank Ltd.	770,000	5,156	7,251
Pacific Carriers Limited	1,167,000	1,306	1,375
Singapore Aerospace Limited	944,000	1,768	1,559
Singapore Airlines Limited	1,200,000	9,180	15,300
Singapore Land Limited	1,200,000	5,613	10,606
United Overseas Bank Ltd.	808,500	6,301	10,621
Wing Tai Holdings Limited	4,207,500	4,874	11,745
		73,272	132,480

** Par value expressed in U.S. dollars.*
See accompanying notes to financial statements.

Investors Pacific International Fund

Statement of Investments

as at December 31, 1995

	No. of Shares	Average Cost (in thousands)	Market Value (in thousands)
Common Stock (continued)			
South Korea			
Bank of Seoul	1,513,286	$ 21,427	$ 17,925
Cho Hung Bank	96,362	1,497	1,685
Daewoo Heavy Industries	149,590	3,580	2,225
Dongbu Steel Co	80,000	3,840	2,957
Han Jin Transportation	26,480	682	1,174
Hankuk Glass Industries Inc GDR	91,524	2,307	1,060
Hyundai Motor GDR	60,000	2,407	1,229
Korea Electric Power	589,000	19,241	34,802
Korea Exchange Bank	90,000	1,403	1,370
Korea Exchange Bank (New)	26,182	316	392
LG Chemical	529,480	13,314	13,792
LG Electronics	70,000	3,299	3,326
LG Electronics (New)	1,749	70	82
Samsung Electronic Co. Ltd.	21,247	4,625	5,273
Samsung Electronic Co. Ltd. (New)	124	18	30
Samsung Electronic Co. Ltd.			
GDS Non voting	48,000	2,018	3,932
GDR 144A Non voting	9,499	-	778
GDR 1/2 voting	759	56	99
Samsung Engineering & Construction (New)	9,197	279	317
Samsung Engineering & Construction	24,458	748	861
		81,127	93,309
Sri Lanka			
John Keells GDR	286,283	3,870	2,044
John Keells Holdings Ltd.	171,427	862	612
		4,732	2,656
Taiwan			
China Steel Corporation GDS	350,000	9,973	8,302
Collins Co Ltd.	401,000	546	540
Shinkong Synthetic Fibers	545,000	687	647
Taiwan Opportunities Fund Ltd.	300,000	4,269	3,633
Taiwan Semiconductor Manufacturing Co.	163,000	691	701
Winbond Electronics Corp.	178,720	753	741
		16,919	14,564
Thailand			
Bangkok Bank Ltd.	407,000	2,086	6,753
Bank of Ayudhya Limited	589,000	1,635	4,503
Electricity Generating Public Co.	1,282,380	3,265	5,980
Ind. Finance Corp. of Thailand	1,681,000	5,569	7,793
Juldis Development Co. Ltd.	550,000	3,382	1,849
Krung Thai Bank Ltd.	1,066,780	2,491	5,957
Regional Container Lines Ltd.	265,502	2,356	4,520
Shinawatra Computer Ltd.	164,000	1,868	5,513
The Siam Cement Co., Ltd.	316,500	12,551	23,955
Siam City Cement Co. Ltd.	800,000	8,900	16,135
Siam Commercial Bank	880,500	2,568	15,849
Sino Thai Engineering & Construction Co. Ltd.	165,000	2,057	1,624
Somprasong Land Public Co.	195,000	1,585	526
The Thai Farmers Bank Ltd.	754,850	2,387	10,395
Thai German Ceramic Co.	425,000	2,976	1,555
		55,676	112,907
Vietnam			
Beta Viet Nam Fund	300,000	3,710	3,584
Beta Viet Nam Fund Warrants	60,000	132	307
		3,842	3,891
Total Investments		$ 820,418	$ 1,099,799
Net Assets:			
Total investments			$ 1,099,799
Short term debt instruments			30,786
Cash and other net assets			15,946
			$ 1,146,531

See accompanying notes to financial statements.

RRSP foreign content eligible

Investors Japanese Growth Fund

Investors Japanese Growth Fund provides investors with the potential of long-term capital growth by investing in shares of major growth-oriented Japanese companies.

Performance

The sharp decline in the value of Japanese equities for much of the past 12 months exacted a toll on the Fund's performance. A number of factors have contributed to the dismal scenario for stocks, including the longest-running recession in Japanese post-war history and the country's troubled financial institutions. During the first half of the year, equity markets were constrained by the increasing value of the yen, which seriously threatened exporters' profits.

The second half of the year brought improved prospects as the government took measures to stimulate the economy and deal with the banking crisis. The Fund is well positioned to take advantage of an economic rebound with its substantial investments in high-quality manufacturing companies. The Fund has also increased its holdings of smaller companies with superior growth prospects.

Outlook

The Fund expects to be fully invested during the first quarter of 1996. Japanese economic recovery should accelerate during 1996, providing an attractive investment climate for smaller stocks that have lagged the market over the past 18 months and now offer superior value. Continued low interest rates in Japan should also benefit equities.

Colin Abraham
Director

Colin Abraham of Carlson Investment Management Far East Ltd. has advised Investors Japanese Growth Fund managers, I.G. International Management Limited, since January 1994. Born in the U.K. and educated at Edinburgh University Management School (Masters of Business Administration), Colin currently lives in Hong Kong.

Performance Highlights*

1 yr	3 yr	5 yr	10 yr
(6.66) %	15.25 %	9.06 %	9.80 %

Inflation**

1.7 %	1.2 %	1.9 %	3.2 %

* Returns are compound rates of return and do not include sales, redemption fees but are net of management fees and include reinvestment of all income. Effective October 1, 1994, the Fund became responsible for the payment of a service fee and for its own day-to-day operating expenses. Effective January 1, 1995, the Fund began to operate as a unit trust and began to pay a trustee fee. These changes decreased the Fund's performance. These illustrations are intended to show the historical growth pattern of the Fund, and are not an indication of what its future performance will be.

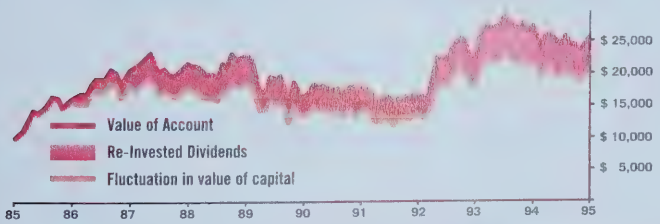
** As measured by the Consumer Price Index, December 31, 1995.

Financial Highlights*

Total net assets	$ 636,697,009
Number of Unitholders	72,101
Asset value per unit:	
High	$ 19.21
Low	$ 16.39
Close	$ 18.04

$10,000 invested at start of period*

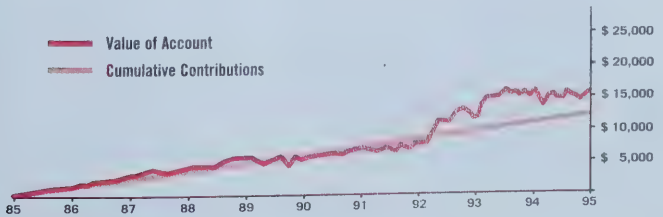
The accompanying graph and chart show the growth of Investors Japanese Growth Fund over the past ten years. They both illustrate how an initial investment of $10,000 in 1985 is now valued at over $25,400.



Year Ending Dec. 31	Market Value of account	Year over year rate of return Capital	Income	Total
1985	$ 10,000	–	–	–
1986	16,148	61.4 %	0.1 %	61.5 %
1987	20,476	26.6 %	0.2 %	26.8 %
1988	21,317	4.1 %	0.0 %	4.1 %
1989	22,653	6.3 %	0.0 %	6.3 %
1990	16,514	(27.1) %	0.0 %	(27.1) %
1991	17,689	7.1 %	0.0 %	7.1 %
1992	16,643	(5.9) %	0.0 %	(5.9) %
1993	22,525	35.3 %	0.0 %	35.3 %
1994	27,294	21.2 %	0.0 %	21.2 %
1995	25,477	(6.7) %	0.0 %	(6.7) %

$100 invested each month*

The accompanying graph and chart illustrate how $100 per month invested for 10 years would be worth over $15,900 in Investors Japanese Growth Fund today.



Year Ending Dec. 31	Cumulative Contributions	Cumulative Dividends Reinvested	Closing Unit Price	Closing Market Value
1986	$ 1,200	$ 9	$ 13.81	$ 1,448
1987	2,400	142	16.26	3,183
1988	3,600	362	15.89	4,544
1989	4,800	548	16.24	6,123
1990	6,000	548	11.84	5,531
1991	7,200	621	12.52	7,136
1992	8,400	621	11.78	7,933
1993	9,600	621	15.95	12,032
1994	10,800	621	19.32	15,804
1995	12,000	621	18.04	15,981

Investors Japanese Growth Fund

Statement of Investments

as at December 31, 1995

Common Stock	No. of Shares	Average Cost (in thousands)	Market Value (in thousands)
Communications & Media			
Toppan Printing Co. Ltd.	1,200,000	$ 21,672	$ 21,575
Consumer Products			
Exedy Corporation	280,000	6,501	6,071
Fuji Photo Film Co., Ltd.	613,000	14,960	24,150
Mikuni Coca-Cola Bottling	364,000	6,489	6,785
Sanyo Coca-Cola Bottling	276,000	5,495	5,473
Suzuki Motor Corporation	1,065,000	17,166	16,191
Toyota Motor Corp.	518,000	11,768	14,997
		62,379	73,667
Financial Service			
Acom Co. Ltd.	300,000	11,903	17,133
Mitsui Trust & Banking Ltd.	966,000	13,415	14,431
Sanyo Shinpan Finance Co. Ltd.	162,000	16,728	18,204
The Seventy-seven (77) Bank, Ltd.	448,000	6,021	5,609
The Tokio Marine and Fire Insurance Co., Ltd.	600,000	4,897	10,708
Yamaichi Securities	1,542,000	15,149	16,369
		68,113	82,454
Health Care			
Eisai Co., Ltd.	339,000	7,824	8,112
Kuraya Corporation	362,500	8,323	7,380
Sankyo Co., Ltd.	341,000	6,895	10,458
		23,042	25,950
Industrial Products			
Amada Metrecs Co., Ltd.	342,000	6,830	7,460
Canon Inc.	518,000	7,527	12,806
Canto	730,800	11,132	12,366
Fanuc Ltd.	233,000	12,264	13,769
Ikuda Denshi	238,000	7,988	8,715
Hitachi, Ltd.	1,711,000	16,388	23,524
Kawasaki Steel	2,100,000	11,033	9,994
Kyocera Corp	125,000	8,592	12,675
Matsuchi Motor Co., Ltd.	99,500	4,845	8,445
Mitsubishi Heavy Industries, Ltd.	2,251,000	20,751	24,491
Murata	598,000	12,821	12,491
Nidec Seiki	220,000	6,090	6,777
Nikon Corporation	310,000	5,719	6,229
Nippon Inc	524,000	9,050	9,352
Nissin Steel Co. Ltd.	2,454,000	12,555	13,528
NKK Corp	1,144,000	10,518	10,435
Toshiba Corp	1,240,000	11,874	13,262
Yamaha Electric Corp.	890,000	5,415	5,730
		181,392	212,049
Merchandising			
Ando Corporation Co., Ltd.	65,500	8,271	7,429
Itochu Company Ltd	345,000	8,750	7,753
Mitsubishi Co., Ltd.	326,000	7,353	27,410
Kanematsu	405,000	6,966	6,907
Marubeni Co., Ltd	260,000	5,972	7,390
Mitsui & Co.	802,000	9,587	9,606
Wakita & Co.	377,000	8,454	7,227
		55,353	73,722
Paper & Forest Products			
Nippon Paper Industries Co.	473,000	4,442	4,484
Real Estate & Construction			
Chudenko Corp	229,000	11,288	10,717
JGC Corp.	462,000	10,052	6,657
Mitsui Fudosan	684,000	10,216	11,484
Nishimatsu Construction Co., Ltd.	560,000	8,206	8,958
Sekisui Chemical Co., Ltd.	907,000	10,358	18,226
Sekisui House, Ltd.	396,000	5,940	6,910
Toc Co., Ltd.	1,130,000	15,348	15,387
		71,408	78,339
Transportation and Environmental Services			
Nippon Yusen Kabushiki Kaish	1,105,000	$ 9,988	$ 8,750
Utilities			
Hokkaido Electric Power	302,940	10,403	9,612
Kyushu Electric Power	275,528	9,821	8,887
		20,224	18,499
Total Investments		$ 518,013	$ 599,489
Net Assets:			
Total investments			$ 599,489
Short term debt instruments			36,926
Cash and other net assets			282
			$ 636,697

See accompanying notes to financial statements.

100% RRSP eligible

Investors Asset Allocation Fund

Investors Asset Allocation Fund offers potential capital growth by actively allocating its assets among Canadian equities, foreign equities, and Canadian bonds. Foreign equity exposure is obtained through the use of futures contracts.

Performance

During the past 12 months, the Fund's exposure to Canadian and Japanese equities increased significantly. As of December 31, 1995, Canadian stocks and futures represented 56% of the Fund's portfolio, up from 22% on December 31, 1994. The 11% exposure to Japanese equities contributed to an overall 26% exposure to foreign stocks at December 31, 1995, up from 9% in foreign stocks at the end of 1994. Bonds represented just 17%, a reduction from 1994's year-end 69%.

The Fund's strong position in Canadian equities increased during the year. Although the Canadian equity market was volatile, it benefited from lower interest rates and strong corporate earnings. While the Japanese component held back the Fund's performance during the first half of the year, the second half saw improvements as the Japanese government took steps to deal with the country's economic crisis.

The Fund continued its strategy of increasing overall returns by actively shifting among asset classes. This active approach often means that the Fund will be selling an asset class when the majority of investors may still be buying, and purchasing assets when most investors are selling. Each asset class is analyzed relative to historical values and overall market sentiment.

Outlook

The Fund's major holdings are in Canadian and major equity holdings. We expect this asset distribution to continue at least into the first quarter of 1996. The Fund's target asset breakdown is 40% Canadian Stocks, 40% Canadian Bonds and 20% Foreign Stocks. At December 31, 1995, the Fund was overweighted in Canadian Stocks (55.6%), overweighted in Foreign Stocks (26.2%) and underweighted in Canadian Bonds (18.2%).

Eric Innes
Executive Vice-President
and Chief Executive Officer

Fund manager Eric Innes is Executive Vice President and Chief Executive Officer of Yield Management Group (YMG) of Toronto. YMG maintains the investment model used to guide Investors Asset Allocation Fund. YMG provides investment management services, consulting and asset allocation strategies to pension Funds, Mutual Funds and financial institutions.

Performance Highlights*

1 yr

16.70 %

Inflation**

1.7 %

* Returns are compound rates of return and do not include acquisition or redemption fees but are net of management fees and include reinvestment of all income. Effective October 1, 1992, the Fund became responsible for the payment of a service fee and for its own day-to-day operating expenses, which decreased the Fund's performance. These illustrations are intended to show the historical growth pattern of the Fund and do not indicate what its future performance will be.

** As measured by the Consumer Price Index, December 31, 1995

Financial Highlights*

Total net assets	$ 550,543,126
Number of Unitholders	71,276
Asset value per unit:	
High	$ 5.52
Low	$ 4.65
Close	$ 5.30
Capital gains distributed per unit	$ 0.075
Capital gains distributed	$ 7,463,657
Income distributed per unit	$ 0.210
Income distributed	$ 20,614,993

Asset Mix

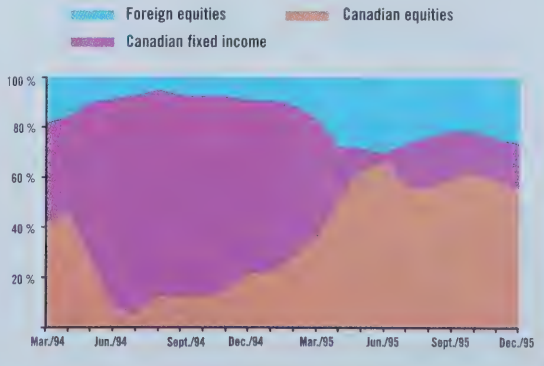
Investors Asset Allocation Fund invests in Canadian stocks, bonds or global equities.

1. Canadian Stocks .. 55.6 %
2. Foreign Stocks .... 26.2 %

Belgium	2.5 %
France	0.8 %
Germany	0.6 %
Japan	11.3 %
Netherlands	0.1 %
Spain	2.0 %
Sweden	0.4 %
Switzerland	2.6 %
United Kingdom	2.5 %
United States	3.3 %

3. Canadian Bonds ... 18.2 %

The Fund's investment mix varied since inception in early 1994 according to the best opportunities for value.



Investors Asset Allocation Fund

Statement of Investments

as at December 31, 1995

	Par Value	Average Cost (in thousands)	Market Value (in thousands)
Bonds			
Federal Government			
Government of Canada			
6.50% 09-01-98	$ 2,285,000	$ 2,222	$ 2,305
7.25% 06-01-03	1,675,000	1,658	1,703
7.50% 09-01-00	11,350,000	11,608	11,776
8.00% 03-15-97	9,800,000	9,961	10,055
8.50% 04-01-02	7,008,000	7,292	7,614
9.00% 12-01-04	3,000,000	3,274	3,378
9.50% 06-01-10	4,525,000	5,026	5,358
10.25% 02-01-04	9,350,000	10,963	11,192
10.25% 03-15-14	4,000,000	4,619	5,082
10.50% 03-01-01	2,725,000	3,047	3,179
		59,670	61,642
Provincial & Guaranteed			
Province of British Columbia			
8.70% 11-30-04			
Multi Step Up Notes	2,600,000	2,600	2,646
Province of Manitoba			
7.75% 12-22-25	1,350,000	1,328	1,321
Province of Ontario			
8.50% 12-02-25	3,400,000	3,457	3,604
Province of Quebec Global			
7.50% 12-01-03	2,500,000	2,424	2,485
		9,809	10,056
Municipal			
City of Edmonton			
9.625% 05-03-08 Ret. 93 Put Opt.			
After 5 & 10 Yrs. at par	2,000,000	2,171	2,274
Municipal Finance Authority of British Columbia			
9.875% 05-08-06 Ret.			
10.25% 05-08-96	1,950,000	2,084	2,354
Regional Municipality of Hamilton-Wentworth			
8.75% 07-22-02 Ret.			
8.25% 07-22-97	1,600,000	1,677	1,698
Regional Municipality of Hamilton-Wentworth			
10.25% 12-07-04	750,000	783	877
		6,715	7,203
Corporate - Non Convertible			
Bank of Montreal			
8.80% 09-13-10 Call 09-13-05	1,000,000	999	1,088
Bell Canada 9.40% 02-15-02	1,334,000	1,348	1,339
Canadian National Railway			
13.00% 11-15-04	956,000	1,017	1,013
Centra Gas Ontario Inc.			
8.85% 09-01-05	1,000,000	981	1,075
Interprovincial Pipeline			
10.00% 12-15-06	2,012,000	2,136	2,191
Nova Gas Transmission Ltd.			
11.20% 06-01-14	1,500,000	1,759	1,844
Suncor 12.00% 06-01-03	244,000	260	265
Toronto-Dominion Bank 8.40% 12-01-10	350,000	349	372
Westcoast Transmission			
10.60% 01-15-06	273,000	284	306
		9,133	9,493
Corporate - Convertible			
Canada Trustco Mortgage			
F/R 07-01-09 Private Placement	5,000,000	4,550	4,550

	No. of Shares	Average Cost (in thousands)	Market Value (in thousands)
Common Stock			
Communications & Media			
Quebecor Inc. Class B Sub. voting	3,900	76	79
Rogers Communications Inc. Class B Non voting	301,500	5,051	4,598
Southam Inc.	5,300	101	77
The Thomson Corporation	403,200	7,240	7,661
Common Stock (continued)			
Communications & Media (continued)			
Torstar Corporation Class B Non voting	3,000	$ 70	$ 69
Videotron Groupe Ltee (Le) Sub. voting	5,700	78	56
		12,616	12,540
Consumer Products			
Cott Corporation	4,700	147	36
Imasco Limited	400,800	8,958	10,621
The Loewen Group Inc. voting	4,200	151	144
The Molson Companies Limited Class A Non voting	4,800	113	108
The Seagram Company Ltd.	411,100	17,223	19,322
		26,592	30,231
Health Care			
Biochem Pharma Inc.	4,300	98	235
Computer			
Corel Corporation	4,100	83	73
Financial Services			
Bank of Montreal	297,600	8,261	9,225
The Bank of Nova Scotia	217,200	6,037	6,462
Canadian Imperial Bank of Commerce	312,200	10,634	12,683
The Horsham Corporation Sub. voting	10,000	178	180
National Bank of Canada	210,500	2,120	2,342
The Royal Bank of Canada	322,500	9,487	10,038
The Toronto-Dominion Bank	417,600	8,749	10,022
		45,466	50,952
Gold & Silver			
Barrick Gold Corporation	223,965	7,297	8,063
Cambior Inc.	5,400	93	80
Echo Bay Mines Ltd.	205,400	2,817	2,927
Franco-Nevada Mining Corporation Ltd.	1,500	108	120
Hemlo Gold Mines Inc.	5,800	70	75
Placer Dome Inc.	430,400	13,614	14,203
Teck Corporation Class B Sub. voting	202,900	4,919	5,402
TVX Gold Inc.	17,400	126	168
		29,044	31,038
Industrial Products			
Agrium Inc.	7,200	93	148
Bombardier Inc. Class B Sub. voting	411,700	5,708	7,411
CAE Inc.	11,900	92	123
Co-Steel Inc. Common Sub. voting	3,300	90	81
Dofasco Inc.	202,200	3,674	3,488
Ipsco Inc.	3,000	70	86
Magna International Inc. Class A Sub. voting	6,300	335	370
Methanex Corporation	16,000	220	160
Moore Corporation Ltd.	203,500	5,443	5,215
Newbridge Networks Corporation	6,500	397	367
Nova Corp.	629,300	7,507	6,922
Sherritt Inc.	7,300	85	129
Stelco Inc. Series A	11,300	90	68
		23,804	24,568
Merchandising			
Canadian Tire Corporation Ltd. Class A Non voting	395,100	5,406	5,877
Finning Ltd.	4,200	87	82
Hudson's Bay Company	4,800	134	94
The Oshawa Group Ltd. Class A Non voting	4,000	82	96
George Weston Limited	2,200	90	111
		5,799	6,260
Conglomerates			
Brascan Ltd. Class A	4,100	69	98
Canadian Pacific Ltd.	421,900	8,954	10,495
Semi-Tech Corp Class A Sub. voting	6,400	116	61
		9,139	10,654

Investors Asset Allocation Fund

Statement of Investments

as at December 31, 1995

	No. of Shares	(in thousands) Average Cost	Market Value
Common Stock (continued)			
Metals & Minerals			
Alcan Aluminum Ltd.	313,100	$ 11,686	$ 13,268
Cameco Corporation	4,000	100	203
Cominco Ltd.	6,000	125	168
Diamond Field Resources	6,700	119	172
Euro-Nevada Mining Corp. Ltd.	2,100	105	104
Falconbridge Limited	10,000	251	290
Inco Ltd.	205,400	7,822	9,269
Inmet Mining Corp.	8,900	120	89
Kinross Gold Corp.	11,300	125	120
Noranda Inc.	207,800	5,078	5,844
Potash Corporation of Saskatchewan Inc.	4,700	161	455
Rio Algom Ltd.	5,700	125	145
		25,817	30,127
Oil & Gas			
Alberta Energy Company Ltd.	8,200	162	179
Anderson Exploration Ltd.	13,100	192	183
Canadian Natural Resources Ltd.	7,200	143	144
Canadian Occidental Petroleum	140,200	5,193	6,273
Conwest Exploration Company Ltd.	2,900	61	79
Imperial Oil Ltd. Common	102,700	5,005	5,071
Norcen Energy Resources Ltd.	5,100	79	105
Petro-Canada	20,100	287	317
Poco Petroleums Ltd.	10,200	101	105
Ranger Oil Ltd.	589,800	5,248	5,013
Renaissance Energy Ltd.	300,400	8,568	10,214
Shell Canada Ltd. Class A	2,700	106	116
Suncor Inc.	5,100	168	218
Suncor Inc Instalment Receipts.	800	10	14
Talisman Energy Inc.	10,100	300	279
Wascana Energy Inc.	8,600	75	111
		25,698	28,421
Pipelines			
IPL Energy Inc.	6,200	188	198
TransCanada PipeLines Ltd.	213,900	3,868	4,037
Westcoast Energy Inc.	9,400	206	188
		4,262	4,423
Paper & Forest Products			
Abitibi-Price Inc.	8,900	146	174
Avenor Inc.	7,000	147	164
Domtar Inc.	7,900	93	84
Donohue Inc. Class A Sub voting	7,500	132	120
Fletcher Challenge Canada Ltd. Class A	6,700	132	146
Macmillan Bloedel Ltd.	361,000	6,401	6,092
Repap Enterprises Inc.	9,700	96	58
		7,147	6,838
Transportation & Environmental Services			
Air Canada	12,900	77	60
Laidlaw Inc. Class B Non voting	315,300	3,714	4,335
		3,791	4,395
Telecommunications			
Northern Telecom Ltd.	205,800	10,320	12,014
Utilities			
BC Gas Inc.	4,900	76	78
BC Telecom Inc.	6,100	153	153
BCE Inc.	418,800	18,523	19,788
BCE Mobile Communications Inc.	2,600	92	120
Nova Scotia Power Inc.	9,400	115	116
Rogers Cantel Mobile Communications Class B Sub. voting	2,100	65	76
Telus Corporation	208,300	3,471	3,333
TransAlta Corporation	403,100	5,659	5,895
		28,154	29,559

	No. of Shares	(in thousands) Average Cost	Market Value
Common Stock (continued)			
Indices			
Toronto 35 Index Participation Units	902,400	$ 20,889	$ 22,515
		278,719	304,843
Total Investments		$ 368,596	$ 397,787
Net Assets:			
Total investments			$ 397,787
Short term debt instruments			143,525
Cash and other net assets			9,231
			$ 550,543

See accompanying notes to financial statements.

Statements of Net Assets

as at the dates noted

(in thousands of dollars)

	Investors Global Fund		Investors European Growth Fund	
	(note 1(b)) December 31 1995	August 31 1994	December 31 1995	December 31 1994
	$	$	$	$
Assets:				
Investments, at market value	759,496	466,512	663,673	476,234
Short term debt instruments	48,194	36,152	62,092	62,711
Cash in bank	38,401	1,013	16,410	18,397
Accrued interest and dividends receivable	895	684	1,870	1,514
Taxes receivable (payable) *(note 2)*	532	516	1,010	652
Accounts receivable (payable) for variation on futures contracts	-	-	-	-
Due from brokers	1,742	438	3,018	6,564
	89,764	38,803	84,400	89,838
Total assets	849,260	505,315	748,073	566,072
Liabilities:				
Due to brokers	712	790	3,391	6,303
Due to (from) Portfolio Funds	5,878	(263)	1,800	51
Accrued expense	300	360	421	307
Accounts payable	267	124	553	540
Total liabilities	7,157	1,011	6,165	7,201
Net assets representing unitholders' equity	842,103	504,304	741,908	558,871
Average cost of investments	613,933	368,312	553,608	435,981

Investors Pacific International Fund		Investors Japanese Growth Fund		Investors Asset Allocation Fund	
			(note 1(b))		
December 31 1995	December 31 1994	December 31 1995	November 30 1994	December 31 1995	December 31 1994
$	$	$	$	$	$
1,099,799	976,111	599,489	422,170	397,787	276,768
30,786	78,433	36,926	36,207	143,525	144,072
15,625	7,438	(636)	(79)	(264)	1,332
1,576	1,804	349	926	3,828	6,458
(6)	-	(399)	453	-	-
-	-	-	-	6,432	(147)
-	-	-	-	-	-
47,981	87,675	36,240	37,507	153,521	151,715
1,147,780	1,063,786	635,729	459,677	551,308	428,483
71	-	-	10,534	-	-
(336)	(817)	(1,712)	-	-	-
811	928	311	[illegible]	163	95
703	711	433	[illegible]	602	247
1,249	822	(968)	[illegible]	765	342
1,146,531	1,062,964	636,697	[illegible]	550,543	428,141
820,418	706,844	518,013	[illegible]	368,596	279,268

On behalf of the Trustee:
Investors Group Trust Co. Ltd.

Director

Director

See accompanying notes to financial statements.

Statements of Operations

for the periods ended at the dates noted

(in thousands of dollars)

	Investors Global Fund		Investors European Growth Fund	
	(note 1(b))			
	December 31 1995	August 31 1994	December 31 1995	December 31 1994
	$	$	$	$
Investment income:				
Dividends	14,124	7,699	16,057	9,147
Interest	2,776	1,753	3,881	3,314
Income (loss) from futures contracts	-	-	-	-
	16,900	9,452	19,938	12,461
Expense: *(note 5)*				
Management fees	15,080	8,949	12,851	8,526
Net service fees	322	-	278	-
Unitholder services	1,336	-	1,097	218
Audit fees	24	20	13	12
Custodian fees	445	198	283	207
Directors fees and expense	3	12	-	-
Goods and services tax	975	646	1,012	647
Legal fees	6	-	3	-
Registration fees and expenses	21	-	60	18
Trustee fees	377	-	321	213
Unitholder reporting expenses	115	70	221	70
Other expenses	8	9	11	7
	18,712	9,904	16,150	9,918
Income (loss) before taxes	(1,812)	(452)	3,788	2,543
Income & withholding taxes *(note 2)*	(3,786)	(726)	(2,216)	(1,337)
Net income (loss) *(note 4)*	(5,598)	(1,178)	1,572	1,206
Distributed to unitholders *(notes 3 & 4)*	-	1,531	-	91
Realized profit (loss) from investments and foreign exchange				
Proceeds from sales	462,023	243,512	397,306	232,737
Cost of investments sold	425,197	185,407	377,835	218,151
Net realized profit (loss)	36,826	58,105	19,471	14,586
Net profit (loss) from foreign exchange	3,541	3,644	4,293	705
Total realized profit (loss) from investments and foreign exchange	40,367	61,749	23,764	15,291
Unrealized appreciation (depreciation) beginning of period	77,737	91,802	40,735	36,938
Net unrealized appreciation (depreciation)	68,410	6,363	69,811	2,891
Net unrealized appreciation (depreciation) of futures contracts	-	-	-	-
Net unrealized appreciation (depreciation) from foreign exchange on cash and short-term debt instruments	(357)	227	(473)	906
Unrealized appreciation (depreciation) end of period	145,790	98,392	110,073	40,735

Investors Pacific International Fund		Investors Japanese Growth Fund		Investors Asset Allocation Fund	
		(note 1(b))		*(note 1(b))*	
December 31 1995	December 31 1994	December 31 1995	November 30 1994	December 31 1995	December 31 1994
$	$	$	$	$	$
28,101	23,559	4,956	2,995	6,562	737
3,931	2,804	3,053	1,151	19,722	19,907
-	-	-	-	15,234	(20,541)
32,032	26,363	8,009	4,146	41,518	103
21,731	19,623	10,980	8,631	10,605	7,249
366	-	265	-	210	-
1,859	440	891	142	779	181
10	15	12	16	12	14
1,550	1,402	133	137	22	11
-	-	2	11	-	-
1,796	1,547	711	630	828	540
3	-	5	-	3	-
97	34	97	-	70	12
543	491	274	-	235	161
419	122	182	79	185	97
23	19	12	7	11	11
28,397	23,693	13,564	9,653	12,960	8,276
3,635	2,670	(5,555)	(5,507)	28,558	(8,173)
(1,677)	(1,756)	(1,617)	325	-	-
1,958	914	(7,172)	(5,182)	28,558	(8,173)
-	1,015	-	-	20,615	-
62,095	75,201	110,005	161,951	499,916	343,712
50,746	64,088	92,932	114,786	486,091	345,849
11,349	11,113	17,073	47,165	13,825	(2,137)
171	(485)	743	762	487	224
11,520	10,628	17,816	47,927	14,312	(1,913)
269,559	349,901	110,103	79,763	(436)	-
10,115	(80,670)	(28,627)	16,013	31,691	(2,500)
-	-	-	-	1,880	1,880
(300)	328	-	(19)	(227)	184
279,374	269,559	81,476	95,757	32,908	(436)

See accompanying notes to financial statements.

Statements of Changes in Net Assets

for the periods ended at the dates noted

(in thousands of dollars)

	Investors Global Fund		Investors European Growth Fund	
	(note 1(b))			
	December 31 1995	August 31 1994	December 31 1995	December 31 1994
	$	$	$	$
Net assets, beginning of period	675,858	403,220	558,871	287,863
Net income (loss)	(5,598)	(1,178)	1,572	1,206
Proceeds from sale of units less commission paid	155,551	144,789	188,256	365,675
Income reinvested	-	1,531	-	84
Capital gains reinvested	19,266	1,787	5,824	6,607
Return of capital reinvested	3,395	-	2,883	-
Payment on redemption of units	(84,983)	(110,866)	(97,707)	(113,924)
Income distributed to unitholders *(notes 3 & 4)*	-	(1,531)	-	(91)
Capital gains distributed to unitholders *(note 4)*	(26,411)	(1,787)	(8,010)	(7,637)
Return of capital distributed to unitholders	(3,395)	-	(2,883)	-
Realized profit (loss) from investments and foreign exchange	40,367	61,749	23,764	15,291
Net unrealized appreciation (depreciation)	68,053	6,590	69,338	3,797
Net assets, end of period	842,103	504,304	741,908	558,871

Statements of Changes in Investments

for the periods ended at the dates noted

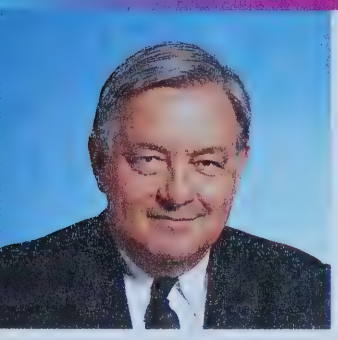
(in thousands of dollars)

	Investors Global Fund		Investors European Growth Fund	
	(note 1(b))			
	December 31 1995	August 31 1994	December 31 1995	December 31 1994
	$	$	$	$
Investments at average cost, beginning of period	534,812	270,368	435,981	217,121
Add: Cost of investments purchased	504,318	283,351	495,462	437,011
Deduct: Cost of investments sold	425,197	185,407	377,835	218,151
Investments at average cost, end of period	613,933	368,312	553,608	435,981

Investors Pacific International Fund		Investors Japanese Growth Fund		Investors Asset Allocation Fund	
		(note 1(b))		*(note 1(b))*	
December 31 1995	December 31 1994	December 31 1995	November 30 1994	December 31 1995	December 31 1994
$	$	$	$	$	$
1,062,964	924,127	484,182	326,577	428,141	-
1,958	914	(7,172)	(5,182)	28,558	(8,173)
383,193	723,029	491,317	293,010	161,865	505,455
-	896	-	-	20,611	-
-	-	-	-	7,464	-
4,962	-	2,445	-	2,089	-
(322,919)	(515,273)	(320,819)	(230,580)	(115,673)	(66,792)
-	(1,015)	-	-	(20,615)	-
-	-	-	-	(7,464)	-
(4,962)	-	(2,445)	-	(2,089)	-
11,520	10,628	17,816	47,927	14,312	(1,913)
9,815	(80,342)	(28,627)	15,994	33,344	(436)
1,146,531	1,062,964	636,697	447,746	550,543	428,141

Investors Pacific International Fund		Investors Japanese Growth Fund		Investors Asset Allocation Fund	
		(note 1(b))		*(note 1(b))*	
December 31 1995	December 31 1994	December 31 1995	November 30 1994	December 31 1995	December 31 1994
$	$	$	$	$	$
706,844	478,330	361,052	204,536	279,268	-
164,320	292,602	249,893	236,663	575,419	625,117
50,746	64,088	92,932	114,786	486,091	345,849
820,418	706,844	518,013	326,413	368,596	279,268

See accompanying notes to financial statements.



Robert G. Darling
Senior Vice-President,
Securities

Bob Darling has held the position of Investor Group's Senior Vice-President of Securities for seven-and-a-half years. He is a graduate of the University of British Columbia, where he specialized in economics and international studies, before entering the investment and trust industry almost 34 years ago. Bob is responsible for Investors Group's global and specialty Funds, including the Portfolio Funds.

What is a Portfolio?

At Investors Group, we recognize the value of diversifying your investment portfolio in order to improve performance and minimize risk. We also recognize that determining the appropriate asset mix for your portfolio can be a complex decision.

That's why, in 1988, we introduced our Portfolio Funds. Each Portfolio Fund is made up of several Investors Group Mutual Funds. They enhance the diversification provided by the underlying Mutual Funds, while carrying less risk.

Our Portfolio Funds are ideal for people who value simplicity. You get balanced exposure to many different kinds of assets with just one investment decision.

All you and your Representative have to do is determine your goals, time horizon and comfort level with variability and pick the Portfolio Fund with the asset mix that is right for you. The Portfolio Fund maintains the asset mix that you have selected, automatically and continually rebalancing your investments.

Investors Group offers seven Portfolio Funds. They are: Investors Income Portfolio, Investors Income Plus Portfolio, Investors Growth Portfolio, Investors Growth Plus Portfolio, Investors Retirement Growth Portfolio, Investors Retirement Plus Portfolio, and Investors World Growth Portfolio.

In late 1994, we restructured several of the Portfolio Funds to keep them up-to-date with the investment climate and to maximize foreign content for Registered Retirement Savings Plans. We've also changed the year-end of our Portfolio Funds to coincide with those of the underlying Funds. This will make it easier for our clients to compare the annual results. Because of the change, the results contained in this report are for an eight-month period.

Investors Group Portfolio Funds

Investors Income Portfolio

Investors Income Plus Portfolio

Investors Retirement Plus Portfolio

Investors Growth Plus Portfolio

Investors Retirement Growth Portfolio

Investors Growth Portfolio

Investors World Growth Portfolio

Results April 30, 1995 to December 31, 1995

100% RRSP eligible

Investors Income Portfolio

Investors Income Portfolio provides regular income through a portfolio of three of Investors Group's fixed-income Funds.

Performance

The Portfolio was well positioned to take advantage of the rally in fixed-income markets during 1995, with investments illustrated below.

Rising interest rates early in 1995 put the Portfolio and its underlying Funds at a disadvantage. However, rates began declining in the second quarter, resulting in a bond and mortgage market rally that increased the value of the Portfolio's underlying holdings. Markets remained favourable over the remainder of 1995, although with considerable volatility. Interest rate and inflation fears took their toll on U.S. bond markets around mid-year, temporarily interrupting the rally. In Canada, bond prices fell and then moved back into positive territory as political concerns eased following the Quebec referendum in October.

Outlook

Bonds and mortgages should continue to reap the benefits of declining interest rates in 1996. Positive economic fundamentals remain in place for a healthy bond market, although performance is unlikely to reach the heights experienced in 1995.

Investors Income Portfolio invests in specific Investors Group Mutual Funds. The assets of the Portfolio Fund are managed by the Portfolio Managers of its underlying Funds, and investments are made in accordance with those Funds' objectives.

Performance Highlights*

1 yr	3 yr	5 yr
15.97 %	7.96 %	9.31 %
Inflation**		
1.7 %	1.2 %	1.9 %

* Returns are compound rates of return and do not include acquisition and redemption fees but are net of distribution fees and include reinvestment of all income. Please refer to the financial statements of the underlying Funds for changes in fees and expenses that had an effect on their performance during the periods shown. These illustrations are intended to show the historical growth pattern of the Fund, and offer no indication of what its future performance will be.

** As measured by the Consumer Price Index, December 31, 1995.

Financial Highlights*

Number of Unitholders	60,332
Asset value per unit:	
High	$ 5.54
Low	$ 5.27
Close	$ 5.54
Income distributed per unit	$ 0.219
Income distributed	$ 37,057,255

Asset Mix

Bonds and mortgages are a natural investment combination because they work together to generate a maximum amount of income and over the long term, a competitive rate of return.

1. Investors Corporate Bond Fund ..... 34 %
2. Investors Government Bond Fund ..... 33 %
3. Investors Mortgage Fund ..... 33 %

Statement of Investments

as at December 31, 1995

(in thousands)

	No. of Units	Average Cost	Market Value
Investors Corporate Bond Fund	29,969,375	$ 295,962	$ 318,544
Investors Government Bond Fund	63,370,720	286,469	309,122
Investors Mortgage Fund	61,394,712	308,725	309,122
Total Investments		$ 891,156	$ 936,788

See accompanying notes to financial statements.

Investors Income Plus Portfolio

100% RRSP eligible

Investors Income Plus Portfolio invests in specific Investors Group Mutual Funds. The assets of the Portfolio Fund are managed by the Portfolio Managers of its underlying Funds, and investments are made in accordance with those Funds' objectives.

Investors Income Plus Portfolio provides the opportunity to earn regular income and the potential for consistent growth by holding a portfolio of six of Investors Group's fixed-income and moderate-growth equity funds.

Performance

The Portfolio's underlying Funds include Investors Corporate Bond Fund, Investors Real Property Fund, Investors Mortgage Fund, Investors Mutual of Canada Fund, Investors Dividend Fund, and Investors Government Bond Fund.

The fixed-income funds in the Portfolio benefited from falling interest rates throughout much of the 8-month period. Bond and mortgage markets rallied, although some encountered considerable volatility over the year. The Quebec referendum in October created uncertainty in Canadian bonds and equity markets, although the fourth quarter saw improved results as political concerns eased. The real estate portion of the Portfolio underperformed equity and bond holdings as investor interest in real estate continued to be minimal during this period.

Outlook

Fixed-income investments should reap the benefits of declining interest rates in 1996. Positive economic fundamentals remain in place for a healthy bond market, although performance is unlikely to reach the heights experienced in 1995. Canadian equities should benefit from an extended economic cycle, and are poised to outperform their U.S. counterparts.

Financial Highlights*

Number of Unitholders	64,703
Asset value per unit:	
High	$ 5.62
Low	$ 5.35
Close	$ 5.60
Income distributed per unit	$ 0.194
Income distributed	$ 44,407,972

Performance Highlights*

1 yr	3 yr	5 yr
12.95 %	7.47 %	8.52 %
Inflation**		
1.7 %	1.2 %	1.9 %

* Returns are compound rates of return and do not include acquisition and redemption fees but are net of distribution fees and include reinvestment of all income. Please refer to the financial statements of the underlying Funds for changes in fees and expenses that had an effect on their performance during the periods shown. These illustrations are intended to show the historical growth pattern of the Fund, and offer no indication of what its future performance will be.

** As measured by the Consumer Price Index, December 31, 1995.

Asset Mix

With 60% of the assets invested in fixed income investments and the other 40% invested in tax-preferred and common stocks, this portfolio is designed to earn income and capital gains.

1 Investors Government Bond Fund ..... 25 %
2 Investors Dividend Fund ..... 25 %
3 Investors Mutual of Canada ..... 15 %
4 Investors Mortgage Fund ..... 15 %
5 Investors Real Property Fund ..... 10 %
6 Investors Corporate Bond Fund ..... 10 %

Statement of Investments

as at December 31, 1995

(in thousands)

	No. of Units	Average Cost	Market Value
Investors Corporate Bond Fund	12,015,559	$ 118,557	$ 127,713
Investors Dividend Fund	28,712,728	288,802	319,228
Investors Government Bond Fund	65,442,416	295,735	319,228
Investors Mortgage Fund	38,041,085	191,458	191,537
Investors Mutual of Canada	17,628,796	176,582	191,537
Investors Real Property Fund	29,523,987	145,419	127,691
Total Investments		$ 1,216,553	$ 1,276,934

See accompanying notes to financial statements.

100% RRSP eligible

Investors Retirement Plus Portfolio

Investors Retirement Plus Portfolio provides income and growth by holding a portfolio of eight of Investor Group's fixed-income and equity funds. The Fund is suitable for RRSP investors looking for moderate growth, who can accept some variability in returns.

Performance

The Portfolio took advantage of gains in global financial markets over the past 8 months. World economic growth, low inflation, falling interest rates, and an extended economic cycle resulted in rising bond and equity prices.

The Portfolio was well positioned to reap healthy returns from strong Canadian stock and fixed income markets. Canadian stock market performance was somewhat muted compared to other global stock markets because of international concerns over referendum results. Nonetheless the Canadian markets performed positively. This combined with very positive fixed income returns reflecting declining interest rates, produced competitive returns for the Portfolio.

Outlook

Fixed-income and equity investments should perform well in 1996. Expected interest rate declines and moderate economic growth in North America and Europe should prove beneficial to bond markets, although performance is unlikely to match that of 1995. Current economic conditions should also favour equities, particularly in Canada and Europe.

Investors Retirement Plus Portfolio invests in specific Investors Group Mutual Funds. The assets of the Portfolio Fund are managed by the Portfolio Managers of its underlying Funds, and investments are made in accordance with those Funds' objectives.

Performance Highlights*

1 yr	3 yr	5 yr
12.12 %	10.18 %	9.49 %
Inflation**		
1.7 %	1.2 %	1.9 %

* Returns are compound rates of return and do not include acquisition and redemption fees but are net of distribution fees and include reinvestment of all income. Please refer to the financial statements of the underlying Funds for changes in fees and expenses that had an effect on their performance during the periods shown. These illustrations are intended to show the historical growth pattern of the Fund, and offer no indication of what its future performance will be.

** As measured by the Consumer Price Index, December 31, 1995.

Financial Highlights*

Number of Unitholders	108,530
Asset value per unit:	
High	$ 6.62
Low	$ 6.29
Close	$ 6.62
Income distributed per unit	$ 0.120
Income distributed	$ 23,890,199

Asset Mix

For your retirement plan, it may be important that your investment earns income and continues to grow. This Portfolio gives you a means to achieve both objectives.

1. Investors Retirement Mutual Fund ..... 20 %
2. Investors Canadian Equity Fund ..... 20 %
3. Investors Global Fund ..... 10 %
4. Investors Mortgage Fund ..... 10 %
5. Investors Global Bond Fund ..... 10 %
6. Investors Real Property Fund ..... 10 %
7. Investors Government Bond Fund ..... 10 %
8. Investors Corporate Bond Fund ..... 10 %

Statement of Investments

as at December 31, 1995

	No. of Units	Average Cost (in thousands)	Market Value (in thousands)
Investors Canadian Equity Fund	28,022,396	$ 212,303	$ 272,125
Investors Corporate Bond Fund	12,803,302	126,654	136,086
Investors Global Bond Fund	24,604,474	126,554	136,063
Investors Global Fund	15,182,185	108,030	136,063
Investors Government Bond Fund	27,893,141	127,082	136,063
Investors Mortgage Fund	27,023,385	135,962	136,063
Investors Real Property Fund	31,459,594	148,234	136,063
Investors Retirement Mutual Fund	20,097,894	209,795	272,125
Total Investments		$ 1,194,614	$ 1,360,651

See accompanying notes to financial statements.

Investors Growth Plus Portfolio

RRSP foreign content eligible

Investors Growth Plus Portfolio invests in specific Investors Group Mutual Funds. The assets of the Portfolio Fund are managed by the Portfolio Managers of its underlying Funds, and investments are made in accordance with those Funds' objectives.

Investors Growth Plus Portfolio offers the opportunity for income and balanced growth by holding a portfolio of six of Investors Group's fixed-income and growth-oriented equity funds.

Performance

The Portfolio's broad mix of Investors Group Funds allows it to maintain a certain measure of stability, even in challenging markets. The equity portion offers superior potential long-term growth, while the income-earning portion provides regular income. Additional potential for gain is provided by foreign currency holdings.

Strong global economic growth rates, an extended economic cycle, low inflation, and corporate profit growth resulted in rising share prices throughout the 8-month period. The Portfolio benefited from the strong leadership of U.S. equity markets during this period, as well from as steady gains in many European markets. Falling interest rates through much of the period pushed bond prices higher, particularly in North America.

Outlook

Moderate global economic growth and declining interest rates bode well for global equity and bond markets in 1996. However, bond performance is likely to be more moderate than last year, and Canadian equities are likely to replace U.S. stocks as the North American performance leaders.

Financial Highlights*

Number of Unitholders	12,996
Asset value per unit:	
High	$ 7.16
Low	$ 6.27
Close	$ 7.16
Income distributed per unit	$ 0.113
Income distributed	$ 3,773,972

Performance Highlights*

1 yr	3 yr	5 yr
15.27 %	12.27 %	11.68 %
Inflation**		
1.7 %	1.2 %	1.9 %

* Returns are compound rates of return and do not include acquisition and redemption fees but are net of distribution fees and include reinvestment of all income. Please refer to the financial statements of the underlying Funds for changes in fees and expenses that had an effect on their performance during the periods shown. These illustrations are intended to show the historical growth pattern of the Fund, and offer no indication of what its future performance will be.

** As measured by the Consumer Price Index. December 31, 1995.

Asset Mix

This Portfolio provides maximum diversification because it contains several types of assets. It realizes that there will be times when income-earning investments will perform better and when equities will perform better.

1. Investors Global Fund ..... 30 %
2. Investors Government Bond Fund ..... 20 %
3. Investors U.S. Growth Fund ..... 15 %
4. Investors Canadian Equity Fund ..... 15 %
5. Investors Real Property Fund ..... 10 %
6. Investors Corporate Bond Fund ..... 10 %

Statement of Investments

as at December 31, 1995

	No. of Units	Average Cost (in thousands)	Market Value (in thousands)
Investors Canadian Equity Fund	3,684,677	$ 25,758	$ 35,782
Investors Corporate Bond Fund	2,244,682	22,153	23,859
Investors Global Fund	7,985,249	61,125	71,564
Investors Government Bond Fund	9,780,484	43,719	47,709
Investors Real Property Fund	5,515,515	27,216	23,855
Investors U.S. Growth Fund	1,398,386	19,439	35,782
Total Investments		$ 199,410	$ 238,551

See accompanying notes to financial statements.

100% RRSP eligible

Investors Retirement Growth Portfolio

Investors Retirement Growth Portfolio provides the potential for capital growth through investments in a portfolio of three of Investors Group's equity funds.

Performance

Designed especially for registered plans, the Portfolio has interests in Mutual Funds that invest in large and medium-sized, conservative Canadian companies in order to provide consistent growth. Diversification is increased by international stock holdings, which add the potential for accelerated growth and currency gains.

Over the 8-month period, the Funds benefited from the strong performance of many world equity markets, particularly those in the U.S. and continental Europe. Strong global economic growth, an extended economic cycle, low inflation, and corporate profit growth resulted in rising share prices throughout the period.

The Portfolio's performance was muted by the lagging performance of Canadian stock markets, when compared to its global counterparts there. However, Canadian share prices picked up the pace toward the end of the period, as political concerns eased following the Quebec referendum in October.

Outlook

The current elongated economic cycle favours the Canadian stock market. In this global environment of low interest rates, low inflation and moderate growth, Canadian natural resources companies should do especially well. Canadian equities are attractively valued, and should outperform their U.S. counterparts in 1996.

Investors Retirement Growth Portfolio invests in specific Investors Group Mutual Funds. The assets of the Portfolio Fund are managed by the Portfolio Managers of its underlying Funds, and investments are made in accordance with those Funds' objectives.

Performance Highlights*

1 yr	3 yr	5 yr
11.58 %	12.19 %	9.87 %
Inflation**		
1.7 %	1.2 %	1.9 %

* Returns are compound rates of return and do not include acquisition and redemption fees but are net of distribution fees and include reinvestment of all income. Please refer to the financial statements of the underlying Funds for changes in fees and expenses that had an effect on their performance during the periods shown. These illustrations are intended to show the historical growth pattern of the Fund, and offer no indication of what its future performance will be.

** As measured by the Consumer Price Index, December 31, 1995.

Financial Highlights*

Number of Unitholders	133,962
Asset value per unit:	
High	$ 7.44
Low	$ 6.81
Close	$ 7.44

Asset Mix

This Portfolio's focus on stocks of large, conservative Canadian companies provides you with a way to keep your assets growing for retirement. The other components add potential for income and accelerated growth.

1. Investors Retirement Mutual Fund ..... 50 %
2. Investors Canadian Equity Fund ..... 30 %
3. Investors Global Fund ..... 20 % †

† RRSP eligibility rules limit this Portfolio's participation in foreign assets to 20% by cost. Market value may be less than 20% because of this rule.

Statement of Investments

as at December 31, 1995

(in thousands)

	No. of Units	Average Cost	Market Value
Investors Canadian Equity Fund	36,803,383	$ 305,398	$ 357,398
Investors Retirement Mutual Fund	43,992,817	500,620	595,663
Investors Global Fund	24,896,356	201,535	223,121
Total Investments		$ 1,007,553	$ 1,176,182

See accompanying notes to financial statements.

Investors Growth Portfolio

RRSP foreign content eligible

Investors Growth Portfolio provides maximum capital growth potential through investments in a portfolio of five of Investors Group's equity funds.

Investors Growth Portfolio invests in specific Investors Group Mutual Funds. The assets of the Portfolio Fund are managed by the Portfolio Managers of its underlying Funds, and investments are made in accordance with those Funds' objectives.

Performance

Investors Growth Portfolio is diversified by country, industry, economic sector, and company to reduce variability and maximize growth opportunities.

Strong global economic growth rates, an extended economic cycle, low inflation, and corporate profit growth resulted in rising share prices throughout the 8-month period. The Portfolio benefited from the strong leadership of U.S. equity markets during 1995, as well as steady gains for many European markets. Canadian equity markets did not perform as well as many of their global counterparts, although they picked up the pace as political concerns subsided after the Quebec referendum.

Outlook

Equity markets in many parts of the world are expected to perform well in 1996. Canadian markets, for instance, should benefit from an extended economic cycle. In Europe, stocks should gain strength as interest rates decline.

Financial Highlights*

Number of Unitholders	19,447
Asset value per unit:	
High	$ 8.86
Low	$ 7.55
Close	$ 8.84
Income distributed per unit	$ 0.003
Income distributed	$ 84,720

Performance Highlights*

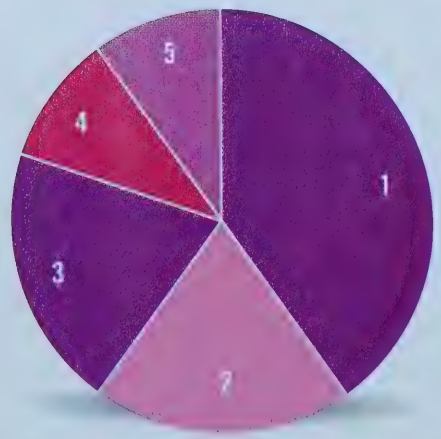
1 yr	3 yr	5 yr
15.53 %	15.99 %	13.99%
Inflation**		
1.7 %	1.2 %	1.9 %

* Returns are compound rates of return and do not include acquisition and redemption fees but are net of distribution fees and include reinvestment of all income. Please refer to the financial statements of the underlying Funds for changes in fees and expenses that had an effect on their performance during the periods shown. These illustrations are intended to show the historical growth pattern of the Fund, and offer no indication of what its future performance will be.

** As measured by the Consumer Price Index, December 31, 1995.

Asset Mix

This Portfolio is designed to provide maximum growth of your capital through investments in top-quality stocks from North America and countries around the world. The investment emphasis is on foreign stocks.



1. Investors Global Fund ..... 40 %
2. Investors Canadian Equity Fund ..... 20 %
3. Investors U.S. Growth Fund ..... 20 %
4. Investors Special Fund ..... 10 %
5. Investors N. American Growth Fund ..... 10 %

Statement of Investments

as at December 31, 1995

(in thousands)

	No. of Units	Average Cost	Market Value
Investors Canadian Equity Fund	6,177,418	$ 43,137	$ 59,989
Investors Global Fund	13,387,393	92,568	119,978
Investors North American Growth Fund	2,242,073	26,653	29,994
Investors Special Fund	1,741,535	26,777	29,994
Investors U.S. Growth Fund	2,344,416	31,740	59,989
Total Investments		$ 220,875	$ 299,944

See accompanying notes to financial statements.

RRSP foreign content eligible

Investors World Growth Portfolio

Investors World Growth Portfolio provides investors with capital growth potential. It holds five of Investors Group's equity funds that invest in securities around the world.

Performance

The Portfolio is invested in Mutual Funds that offer growth for those who can accept higher variability in returns.

Over the 8-month period, the Portfolio gained from the strong performance of many world equity markets, particularly those in the U.S. and continental Europe. However, performance was held back somewhat by the lagging performance of Canadian stock markets and considerable volatility in Japanese equities. Canadian share prices picked up the pace toward the end of the period, as political concerns eased following the Quebec referendum in October. Japanese equity prices also showed some improvement after the country's government introduced measures to stimulate the economy and to deal with the debt crisis facing Japan's banking system.

Outlook

The outlook for global equity markets generally remains favourable. Canadian stocks are expected to outperform those in the U.S., while European markets should benefit from falling interest rates. Asian markets are demonstrating renewed potential as investor confidence in the region improves.

Investors World Growth Portfolio invests in specific Investors Group Mutual Funds. The assets of the Portfolio Fund are managed by the Portfolio Managers of its underlying Funds, and investments are made in accordance with those Funds' objectives.

Performance Highlights*

1 yr	3 yr
8.78 %	14.72 %
Inflation**	
1.7 %	1.2 %

* Returns are compound rates of return and do not include acquisition and redemption fees but are net of distribution fees and include reinvestment of all income. Please refer to the financial statements of the underlying Funds for changes in fees and expenses that had an effect on their performance during the periods shown. These illustrations are intended to show the historical growth pattern of the Fund, and offer no indication of what its future performance will be.

** As measured by the Consumer Price Index, December 31, 1995.

Financial Highlights*

Number of Unitholders	98,136
Asset value per unit:	
High	$ 7.51
Low	$ 6.61
Close	$ 7.50
Income distributed per unit	$ 0.008
Income distributed	$ 796,835

Asset Mix

This Portfolio provides you with the opportunity to participate in the growth of the three key trading blocs: North America, Asia/Pacific and Europe. The investment focus is on foreign stocks.

1. Investors European Growth Fund ..... 30 %
2. Investors Japanese Growth Fund ..... 20 %
3. Investors N. American Growth Fund ..... 20 %
4. Investors Pacific International Fund ..... 15 %
5. Investors Special Fund ..... 15 %

Statement of Investments

as at December 31, 1995

	No. of Units	Average Cost (in thousands)	Market Value (in thousands)
Investors European Growth Fund	30,540,730	$ 200,711	$ 238,676
Investors Japanese Growth Fund	8,821,711	154,604	159,117
Investors North American Growth Fund	11,893,946	140,685	159,117
Investors Pacific International Fund	9,971,416	109,322	119,338
Investors Special Fund	6,928,985	106,303	119,338
Total Investments		$ 711,625	$ 795,586

See accompanying notes to financial statements.

Statements of Net Assets

as at the dates noted

(in thousands of dollars)

	Investors Income Portfolio		Investors Income Plus Portfolio	
	December 31 1995	April 30 1995	December 31 1995	April 30 1995
	$	$	$	$
Assets:				
Investments, at market value	936,788	865,395	1,276,934	1,243,211
Cash in bank	322	774	(692)	(343)
Income receivable	-	4,768	-	4,047
Accounts receivable	-	-	-	-
Refundable capital gains tax	-	-	172	172
	322	5,542	(520)	3,876
Total assets	937,110	870,937	1,276,414	1,247,087
Liabilities:				
Due to (from) Underlying Funds	(393)	451	(1,182)	(427)
Accounts payable	714	302	662	214
Accrued expense	157	214	266	225
Income payable to unitholders	(18)	4,629	13	3,881
Total liabilities	460	5,596	(241)	3,893
Net assets representing unitholders' equity	936,650	865,341	1,276,655	1,243,194
Average cost of investments	891,156	858,007	1,216,553	1,234,946

Investors Retirement Plus Portfolio		Investors Growth Plus Portfolio		Investors Retirement Growth Portfolio		Investors Growth Portfolio		Investors World Growth Portfolio	
December 31 1995	April 30 1995	December 31 1995	April 30 1995	December 31 1995	April 30 1995	December 31 1995	April 30 1995	December 31 1995	April 30 1995
$	$	$	$	$	$	$	$	$	$
1,360,651	1,206,832	238,551	225,267	1,176,182	941,775	299,944	259,461	795,586	668,530
880	575	213	(210)	1,803	2,283	292	138	1,313	943
-	2,827	-	496	-	-	-	-	-	-
-	22	-	41	3	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
880	3,424	213	327	1,806	2,283	292	138	1,313	943
1,361,531	1,210,256	238,764	225,594	1,177,988	944,058	300,236	259,599	796,899	669,473
67	69	124	(186)	571	1,018	177	56	592	180
814	501	86	6	1,235	1,245	111	76	698	748
361	332	45	51	314	282	52	65	236	187
-	2,644	1	465	-	-	1	1	-	-
1,242	3,546	256	336	2,120	2,545	341	198	1,526	1,115
1,360,289	1,206,710	238,508	225,258	1,175,868	941,513	299,895	259,401	795,373	668,358
1,194,614	1,107,714	199,410	200,355	1,007,553	861,341	220,875	207,314	711,625	640,005

On behalf of the Trustee:
Investors Group Trust Co. Ltd.

Director

Director

See accompanying notes to financial statements.

Statements of Operations

for the periods ended at the dates noted

(in thousands of dollars)

	Investors Income Portfolio		Investors Income Plus Portfolio	
	(note 1(b))		*(note 1(b))*	
	December 31 1995	April 30 1995	December 31 1995	April 30 1995
	$	$	$	$
Investment income:				
Dividends	-	-	12,702	22,768
Interest and other income	38,069	59,308	33,170	51,080
	38,069	59,308	45,872	73,848
Expense: *(note 6)*				
Distribution fees	903	1,314	1,270	1,928
Audit fees	8	7	5	7
Goods and services tax	2	14	10	15
Unitholder reporting expenses	31	187	146	227
Other expenses	14	15	11	19
	958	1,537	1,442	2,196
Net income (loss) *(note 4)*	37,111	57,771	44,430	71,652
Allocated/distributed to unitholders *(notes 3 & 4)*	37,057	57,776	44,408	71,656
Realized profit (loss) from investments				
Proceeds from sales	38,165	392,000	90,166	480,272
Cost of investments sold	37,116	406,447	86,005	475,522
Total realized profit (loss) from investments	1,049	(14,447)	4,161	4,750
Unrealized appreciation (depreciation) beginning of period	7,388	(2,831)	8,265	27,265
Net unrealized appreciation (depreciation)	38,244	10,219	52,116	(19,000)
Unrealized appreciation, end of period	45,632	7,388	60,381	8,265

Investors Retirement Plus Portfolio		Investors Growth Plus Portfolio		Investors Retirement Growth Portfolio		Investors Growth Portfolio		Investors World Growth Portfolio	
(note 1(b))		*(note 1(b))*		*(note 1(b))*		*(note 1(b))*		*(note 1(b))*	
December 31 1995	April 30 1995	December 31 1995	April 30 1995	December 31 1995	April 30 1995	December 31 1995	April 30 1995	December 31 1995	April 30 1995
$	$	$	$	$	$	$	$	$	$
139	475	18	203	183	541	439	531	1,916	1,383
25,280	32,620	4,018	6,519	202	1,396	104	27	139	123
25,419	33,095	4,036	6,722	385	1,937	543	558	2,055	1,506
1,293	1,637	232	351	1,069	985	282	385	740	789
9	7	5	7	8	6	4	8	3	8
12	22	1	4	14	21	1	5	10	14
178	321	15	48	197	292	20	59	147	191
14	18	5	5	19	16	6	6	11	11
1,506	2,005	258	415	1,307	1,320	313	463	911	1,013
23,913	31,090	3,778	6,307	(922)	617	230	95	1,144	493
23,890	30,998	3,774	6,307	-	1,193	85	72	797	673
18,552	215,676	18,784	97,144	19,749	59,004	9,268	92,373	10,976	4,651
15,658	213,537	14,533	84,374	18,402	62,829	6,588	67,534	10,239	4,444
2,894	2,139	4,251	12,770	1,347	(3,825)	2,680	24,839	737	207
99,118	97,942	24,912	38,368	80,434	70,312	52,147	77,943	28,525	29,648
66,919	1,176	14,229	(13,456)	88,195	10,122	26,922	(25,796)	55,436	(1,123)
166,037	99,118	39,141	24,912	168,629	80,434	79,069	52,147	83,961	28,525

See accompanying notes to financial statements.

Statements of Changes in Net Assets

for the periods ended at the dates noted

(in thousands of dollars)

	Investors Income Portfolio		Investors Income Plus Portfolio	
	(note 1(b))		*(note 1(b))*	
	December 31 1995	April 30 1995	December 31 1995	April 30 1995
	$	$	$	$
Net assets, beginning of period	865,341	921,306	1,243,194	1,350,591
Net income (loss)	37,111	57,771	44,430	71,652
Proceeds from sale of units less commission paid	117,361	142,188	136,057	261,274
Income reinvested	40,031	55,277	46,772	68,732
Capital gains reinvested	-	-	-	7,301
Return of capital reinvested	-	-	1,481	1,503
Capital gains distribution received	4,898	-	1,979	1,302
Payment on redemption of units	(130,328)	(249,197)	(207,646)	(424,393)
Income allocated/distributed to unitholders *(notes 3 & 4)*	(37,057)	(57,776)	(44,408)	(71,656)
Capital gains distributed to unitholders *(note 4)*	-	-	-	(7,359)
Return of capital distributed to unitholders	-	-	(1,481)	(1,503)
Realized profit (loss) from investments	1,049	(14,447)	4,161	4,750
Net unrealized appreciation (depreciation)	38,244	10,219	52,116	(19,000)
Net assets, end of period	936,650	865,341	1,276,655	1,243,194

Statements of Changes in Investments

for the periods ended at the dates noted

(in thousands of dollars)

	Investors Income Portfolio		Investors Income Plus Portfolio	
	(note 1(b))		*(note 1(b))*	
	December 31 1995	April 30 1995	December 31 1995	April 30 1995
	$	$	$	$
Investments at average cost, beginning of period	858,007	924,087	1,234,946	1,323,268
Add: Cost of investments purchased	70,265	340,367	67,612	387,200
Deduct: Cost of investments sold	37,116	406,447	86,005	475,522
Investments at average cost, end of period	891,156	858,007	1,216,553	1,234,946

Investors Retirement Plus Portfolio		Investors Growth Plus Portfolio		Investors Retirement Growth Portfolio		Investors Growth Portfolio		Investors World Growth Portfolio	
(note 1(b))		*(note 1(b))*		*(note 1(b))*		*(note 1(b))*		*(note 1(b))*	
December 31 1995	April 30 1995	December 31 1995	April 30 1995	December 31 1995	April 30 1995	December 31 1995	April 30 1995	December 31 1995	April 30 1995
$	$	$	$	$	$	$	$	$	$
1,206,710	989,538	225,258	238,423	941,513	479,844	259,401	250,347	668,358	347,133
23,913	31,090	3,778	6,307	(922)	617	230	95	1,144	493
201,151	409,709	23,662	41,594	262,496	549,074	40,140	56,509	167,358	423,727
26,288	29,923	4,196	6,205	-	1,192	85	67	790	671
-	4,784	-	7,928	-	5,151	-	14,813	-	1,931
1,699	1,628	381	388	2,061	1,798	660	627	1,606	1,447
7,064	13,657	2,599	4,159	7,119	14,878	4,068	8,086	4,083	6,491
(150,760)	(239,525)	(35,691)	(64,446)	(123,880)	(109,198)	(33,545)	(54,677)	(101,736)	(108,565)
(23,890)	(30,998)	(3,774)	(6,307)	-	(1,193)	(85)	(72)	(797)	(673)
-	(4,783)	-	(7,919)	-	(5,149)	(1)	(14,810)	-	(1,934)
(1,699)	(1,628)	(381)	(388)	(2,061)	(1,798)	(660)	(627)	(1,606)	(1,447)
2,894	2,139	4,251	12,770	1,347	(3,825)	2,680	24,839	737	207
66,919	1,176	14,229	(13,456)	88,195	10,122	26,922	(25,796)	55,436	(1,123)
1,390,289	1,206,710	238,508	225,258	1,175,868	941,513	299,895	259,401	795,373	668,358

Investors Retirement Plus Portfolio		Investors Growth Plus Portfolio		Investors Retirement Growth Portfolio		Investors Growth Portfolio		Investors World Growth Portfolio	
(note 1(b))		*(note 1(b))*		*(note 1(b))*		*(note 1(b))*		*(note 1(b))*	
December 31 1995	April 30 1995	December 31 1995	April 30 1995	December 31 1995	April 30 1995	December 31 1995	April 30 1995	December 31 1995	April 30 1995
$	$	$	$	$	$	$	$	$	$
1,107,714	891,678	200,355	200,043	861,341	409,526	207,314	172,445	640,005	317,498
102,558	429,573	13,588	84,686	164,614	514,644	20,149	102,403	81,859	326,951
15,658	213,537	14,533	84,374	18,402	62,829	6,588	67,534	10,239	4,444
1,194,614	1,107,714	199,410	200,355	1,007,553	861,341	220,875	207,314	711,625	640,005

See accompanying notes to financial statements.

1. Organization of the Funds, fiscal periods and general information:

a) Organization of the Funds

The following Funds were organized as unincorporated unit trusts pursuant to separate Trust Agreements dated as noted below. The Trust Agreements were between I.G. Investment Management Ltd. as Manager and Investors Group Trust Co. Ltd. as Fund Trustee. These Trust Agreements and any subsequent amendments were consolidated in restated Trust Agreements, between I.G. Investment Management Ltd. as Manager and Investors Group Trust Co. Ltd. as Fund Trustee, dated September 23, 1994.

Investors Money Market Fund	April 15, 1985	Investors Retirement Mutual Fund	November 18, 1971
Investors Mortgage Fund	August 3, 1973	Investors Canadian Equity Fund	September 26, 1983
Investors Real Property Fund	November 2, 1983	Investors European Growth Fund	June 1, 1990
Investors Government Bond Fund *(note 14)*	April 2, 1979	Investors Pacific International Fund	June 1, 1990
Investors Corporate Bond Fund	January 26, 1994	Investors Asset Allocation Fund	November 1, 1993
Investors Global Bond Fund	May 1, 1992		

The following Funds were organized as unincorporated unit trusts pursuant to Declarations of Trust dated October 21, 1994. They commenced operations January 1, 1995. Prior to January 1, 1995, these Funds (the 'Incorporated Funds') operated as incorporated mutual funds. The original date of incorporation for each Fund is noted below. At meetings of shareholders of the Incorporated Funds held on September 23, 1994, special resolutions were approved to allow for the conversion of the Incorporated Funds into unit trust mutual funds on a tax-free roll-over basis. At the close of business on December 31, 1994, substantially all of the assets and liabilities were transferred from each Incorporated Fund to its corresponding unit trust mutual fund.

Investors Dividend Fund	November 9, 1961	Investors U.S. Growth Fund	November 9, 1961
Investors Mutual of Canada	October 25, 1948	Investors Special Fund	December 1, 1967
Investors Summa Fund	October 17, 1986	Investors Global Fund	June 30, 1986
Investors North American Growth Fund	September 10, 1957	Investors Japanese Growth Fund	March 10, 1971

The following Funds (the 'Portfolio Funds') were organized as unincorporated unit trusts pursuant to separate Trust Agreements dated as noted below. The Trust Agreements are between I.G. Investment Management Ltd. as Manager and Investors Group Trust Co. Ltd. as Fund Trustee.

Investors Income Portfolio	August 15, 1988
Investors Income Plus Portfolio	August 15, 1988
Investors Retirement Plus Portfolio	August 15, 1988
Investors Growth Plus Portfolio	August 15, 1988
Investors Retirement Growth Portfolio	August 15, 1988
Investors Growth Portfolio	August 15, 1988
Investors World Growth Portfolio	July 10, 1992

b) Fiscal period information

All financial statement information is presented for the fiscal years ended December 31 with the following exceptions:

i) Investors Corporate Bond Fund commenced operations May 9, 1994. Comparative information is for the period from May 9 to December 31, 1994. Per unit and expense ratio amounts for 1994 in notes 4 and 5 are for the period from May 9 to December 31, 1994.

ii) Investors Global Bond Fund commenced operations September 8, 1992. Per unit and expense ratio amounts for 1992 in notes 4 and 5 are for the period from September 8 to December 31, 1992.

iii) Investors Asset Allocation Fund commenced operations January 17, 1994. Comparative information for 1994 is presented for the period from January 17 to December 31, 1994. Per unit and expense ratio amounts for 1994 in notes 4 and 5 are for the period from January 17 to December 31, 1994.

iv) Prior to their conversion, the annual reporting periods for the incorporated Funds were for the years ended August 31 for Investors Global Fund Ltd. and Investors North American Growth Fund Ltd., September 30 for Investors Special Fund Ltd. and Investors U.S. Growth Fund Ltd., October 31 for Investors Mutual of Canada Ltd. and Investors Summa Fund Ltd. and November 30 for Investors Dividend Fund Ltd. and Investors Japanese Growth Fund Ltd. Comparative information is presented for the fiscal year ended on these dates for each Fund. Per unit and expense ratio amounts for 1994 and prior years in notes 4 and 5 are for the years ending on these dates. All references to units and unitholders for these prior periods are intended to have the meaning of shares and shareholders. A report for the incorporated Funds' transition reporting period will be provided, without charge, by writing to the address contained in note 18.

v) Prior to the transition period ended December 31, 1995 the annual reporting periods for the Portfolio Funds were for the years ended April 30. All fiscal period information presented for the transition period is for the eight months ended December 31, 1995 including the per unit and expense ratio amounts presented in notes 4 and 6.

vi) Investors World Growth Portfolio commenced operations January 4, 1993. Per unit and expense ratio amounts for 1993 in notes 4 and 6 are for the period from January 4 to April 30, 1993.

1. Organization of the Funds, fiscal periods and general information: (continued)

c) General information

i) The distributor of the Funds is Investors Group Financial Services Inc. except in Quebec where the distributor is Les Services Investors Limitée. These companies are, indirectly, wholly owned subsidiaries of Investors Group Inc.

ii) Portfolio Funds invest entirely in the units of Funds managed by I.G. Investment Management Ltd. and I.G. International Management Limited and distributed by Investors Group Financial Services Inc. and Les Services Investors Limitée. These Funds purchase units of at least three of the underlying Funds (with the exception of Investors Money Market Fund, Investors Summa Fund and Investors Asset Allocation Fund). The Manager of the Portfolio Funds will purchase or redeem units of the underlying Funds based entirely on the requirements of the Portfolio Funds.

2. Summary of significant accounting policies:

The accounting policies of the Funds conform with generally accepted accounting principles appropriate to the Mutual Fund industry as follows:

a) Investments are recorded at market value, established by the closing sale price for trading on the recognized exchange on which a security is principally traded. If no sale price was reported, then market value is established using the mean of the closing bid and ask prices for the security on that date. Should the market value for a security, in the opinion of the Manager, be inaccurate, unreliable or not readily available, the security is valued at its fair value, as determined by the Manager, on the basis of the most recently reported information for the security. Bonds are recorded at market value, substantially established by the closing sale price for trading on the over-the-counter market. The market value for investments held by the portfolio Funds are established using the net asset value per unit of the underlying Funds. Investment purchase and sale transactions are recorded on trade date and realized and unrealized gains and losses on investments are determined using average cost.

b) Futures contracts are valued at the settlement price established each day by the board of trade or exchange on which they are traded. The value of these contracts is the gain or loss that would be realized upon closure of the contract. Any gain or loss on open contracts is recorded as part of unrealized gains or losses on investments. Upon closure of a futures contract, any gain or loss is recorded as income in the statement of operations.

c) Short term debt instruments are not considered to be portfolio investments (except for Investors Money Market Fund) and are therefore excluded from the statement of changes in investments. Short term debt instruments are valued at cost.

d) All amounts are expressed in Canadian dollars unless otherwise specified. Foreign currency amounts have been expressed in Canadian dollars on the following bases:

i) Investments, short term debt instruments, foreign currency contracts and other assets and liabilities at the rate of exchange at the end of the fiscal period.

ii) Income, expense, purchases and sales of investments at the rate of exchange on the dates of such transactions.

iii) Realized and unrealized profits and losses on foreign exchange are reflected separately in the statement of operations.

e) Income from investments is recognized on the accrual basis. Dividend income is recognized at the time a security trades on an ex-dividend basis. In regard to dividends from foreign securities, if the ex-dividend date has passed, dividends are recorded as soon as the Funds are informed of the ex-dividend date. Interest income is based on the number of days the investment is held during the period. For the portfolio Funds, dividend income from an underlying Fund is recognized at the time the Fund is valued on an ex-dividend basis. Capital gains and return of capital distributions received by the portfolio Funds from the underlying Funds are reflected in the statement of changes in net assets.

f) In respect of Investors Mortgage Fund:

i) All mortgage loans other than non-accrual loans are recorded at market value, which is the principal amount required to produce a yield to maturity equal to or not less than one quarter of one percent below the interest rate at which major lending institutions are making commitments on the date of valuation. Non-accrual loans are recorded at the lesser of amortized cost or market value, unless in the opinion of the Manager collectibility of principal is in doubt, in which event such loans shall be recorded at their estimated realizable values. These values are established as a result of reviews of individual loans.

ii) Amortized cost is the principal cost of mortgages purchased, net of amortization income or expense. Premiums and discounts on mortgages purchased are amortized on a straight line basis over the term of the mortgage.

iii) A mortgage loan is classified as non-accrual when principal or interest is contractually past due 90 days. Once a loan is classified as non-accrual, any uncollected interest is reversed and charged against income in the current period. Thereafter, interest income is recognized on a cash basis.

iv) Real estate acquired through foreclosure is recorded at net realizable value.

v) Other assets is comprised of unapplied mortgage purchases and CMHC foreclosure claims. Other liabilities is comprised of unapplied mortgage collections.

2. Summary of significant accounting policies: (continued)

g) In respect of Investors Real Property Fund:

i) The cost of real estate and other real property investments represents acquisition cost plus cost of capital improvements.

ii) Real estate and other real property investments are valued at cost from the date of acquisition until the receipt of the first appraisal; thereafter they are valued based on appraisals. Appraisals of real estate and other real property investments are obtained from qualified independent appraisers at a date no later than the annual anniversary date of the acquisition of each property. Appraisals may be obtained more frequently at the discretion of the Manager or Trustee.

iii) Co-ownership of real estate investments are accounted for by the proportionate consolidation method. The Fund's proportionate share of the assets, liabilities, income and expenses of its interest are recorded in these financial statements.

iv) Other liabilities is comprised of accounts payable on real estate operations.

h) The Funds are not subject to tax on income and realized capital gains which are paid or payable to their unitholders within the calendar year. Taxes payable on realized net capital gains are recoverable on a formula basis. The Funds are subject to withholding taxes on foreign income. Sufficient income is retained by a Fund so that foreign tax credits are fully used in reducing Canadian taxes payable. Prior to their conversion to unit trusts, the Incorporated Funds *(see note 1 (b)(iv))* were subject to taxes on income. These taxes were calculated on the "taxes payable" basis for reporting periods that ended prior to the conversion at the close of business on December 31, 1994.

3. Income allocation and distribution:

It is the current policy of each Fund to allocate and distribute income (except for Investors Retirement Mutual Fund, which neither allocates nor distributes income) as follows:

Fund Name	Frequency of Allocation	Frequency of Distribution
Investors Money Market Fund	Daily	Monthly
Investors Mortgage Fund	Semi-monthly	Quarterly
Investors Real Property Fund	Semi-monthly	Quarterly
Investors Government Bond Fund (note 14)	Semi-monthly	Quarterly
Investors Corporate Bond Fund	Daily	Quarterly
Investors Dividend Fund	Quarterly	Quarterly
Investors Global Bond Fund	Semi-monthly	Quarterly
Investors Mutual of Canada	Quarterly	Quarterly
Investors Summa Fund	Annually	Annually
Investors North American Growth Fund	Annually	Annually
Investors U.S. Growth Fund	Annually	Annually
Investors Canadian Equity Fund	Quarterly	Annually
Investors Special Fund	Annually	Annually
Investors Global Fund	Annually	Annually
Investors European Growth Fund	Annually	Annually
Investors Pacific International Fund	Annually	Annually
Investors Japanese Growth Fund	Annually	Annually
Investors Asset Allocation Fund	Monthly	Quarterly
Investors Income Portfolio	Semi-monthly	Quarterly
Investors Income Plus Portfolio	Semi-monthly	Quarterly
Investors Retirement Plus Portfolio	Monthly	Quarterly
Investors Growth Plus Portfolio	Monthly	Quarterly
Investors Retirement Growth Portfolio	Monthly	Quarterly
Investors Growth Portfolio	Monthly	Quarterly
Investors World Growth Portfolio	Quarterly	Annually

4. Net asset values, income and distributions per unit:

Unit values were calculated as follows;

a) Net asset value - on the number of units outstanding at the end of the fiscal period.

b) Net income (loss) - on the average of the number of units outstanding at the beginning of each valuation day in the fiscal period.

c) Income allocated/distributed - on the number of units outstanding at the beginning of each allocation date in the fiscal period.

d) Capital gains distributed - on the number of units outstanding at the beginning of each distribution date.

	1995	1994	1993	1992	1991
Investors Money Market Fund					
Net asset value per unit at December 31	$ 1.00	$ 1.00	$ 1.00	$ 1.00	$ 1.00
Net income per unit	.059	.044	.042	.055	.085
Income distributed per unit	.059	.044	.042	.055	.085
Investors Mortgage Fund					
Net asset value per unit at December 31	$ 5.03	$ 4.81	$ 5.22	$ 5.05	$ 5.10
Net income per unit	.324	.323	.346	.382	.441
Income distributed per unit	.314	.323	.346	.382	.441
Investors Real Property Fund					
Net asset value per unit at December 31	$ 4.33	$ 4.43	$ 4.57	$ 4.83	$ 5.19
Net income per unit	.276	.199	.198	.243	.331
Income distributed per unit	.286	.207	.209	.273	.319
Investors Government Bond Fund *(note 14)*					
Net asset value per unit at December 31	$ 4.88	$ 4.36	$ 4.92	$ 4.59	$ 4.63
Net income per unit	.308	.302	.314	.337	.349
Income distributed per unit	.297	.302	.314	.337	.349
Capital gains distributed per unit	–	–	.032	.042	–
Investors Corporate Bond Fund					
Net asset value per unit at December 31 *(note 1 (b)(i))*	$ 10.63	$ 9.79	$ –	$ –	$ –
Net income per unit	.692	.382	–	–	–
Income distributed per unit	.691	.263	–	–	–
Capital gains distributed per unit	.168	–	–	–	–
Investors Dividend Fund					
Net asset value per unit at end of period *(note 1(b)(iv))*	$ 11.12	$ 10.56	$ 10.99	$ 10.00	$ 10.14
Net income per unit	.509	.471	.460	.488	.523
Income distributed per unit	.493	.470	.480	.530	.560
Investors Global Bond Fund					
Net asset value per unit at December 31 *(note 1(b)(ii))*	$ 5.53	$ 5.18	$ 5.37	$ 4.86	$ –
Net income per unit	.217	.237	.207	.045	–
Income distributed per unit	.207	.237	.207	.032	-
Capital gains distributed per unit	.029	–	.045	.003	–

4. Net asset values, income and distributions per unit: (continued)

	1995	1994	1993	1992	1991
Investors Mutual of Canada					
Net asset value per unit at end of period *(note 1(b)(iv))*	$ 10.87	$ 10.12	$ 9.93	$ 8.15	$ 8.27
Net income per unit	.208	.175	.198	.273	.282
Income distributed per unit	.205	.185	.230	.290	.330
Capital gains distributed per unit	–	–	–	.200	.300
Investors Summa Fund					
Net asset value per unit at end of period *(note 1(b)(iv))*	$ 6.16	$ 5.90	$ 5.99	$ 4.95	$ 4.94
Net income per unit	.008	.037	.038	.081	.135
Income distributed per unit	.118	.030	.025	.065	.160
Capital gains distributed per unit	.212	–	–	–	–
Investors North American Growth Fund					
Net asset value per unit at end of period *(note 1(b)(iv))*	$ 13.38	$ 12.61	$ 12.20	$ 10.02	$ 9.89
Net income (loss) per unit	.019	(.032)	.072	.102	.168
Income distributed per unit	.099	.060	.060	.080	.120
Capital gains distributed per unit	.064	.600	.700	.120	.700
Investors U.S. Growth Fund					
Net asset value per unit at end of period *(note 1(b)(iv))*	$ 25.59	$ 20.14	$ 19.35	$ 15.97	$ 13.11
Net income per unit	.043	.014	.011	.083	.102
Income distributed per unit	.027	–	–	–	–
Capital gains distributed per unit	–	–	–	.250	.320
Investors Retirement Mutual Fund					
Net asset value per unit at December 31	$ 13.54	$ 12.10	$ 11.90	$ 9.41	$ 9.58
Net income per unit	.018	.037	.051	.105	.210
Investors Canadian Equity Fund					
Net asset value per unit at December 31	$ 9.71	$ 8.78	$ 9.06	$ 6.90	$ 6.57
Net income per unit	.006	.008	.011	.079	.158
Income distributed per unit	.005	.008	.011	.077	.153
Capital gains distributed per unit	–	.282	.004	–	.010
Investors Special Fund					
Net asset value per unit at end of period *(note 1(b)(iv))*	$ 17.22	$ 15.61	$ 15.73	$ 12.32	$ 12.24
Net income (loss) per unit	.033	(.116)	(.074)	.053	.105
Income distributed per unit	.111	–	.075	–	.100
Capital gains distributed per unit	.109	.150	.860	.650	.600
Investors Global Fund					
Net asset value per unit at end of period *(note 1(b)(iv))*	$ 8.96	$ 9.03	$ 7.83	$ 6.54	$ 6.06
Net income (loss) per unit	(.066)	(.022)	.013	.009	.024
Income distributed per unit	–	.030	–	–	–
Capital gains distributed per unit	.288	.035	–	–	–
Investors European Growth Fund					
Net asset value per unit at December 31	$ 7.82	$ 6.86	$ 6.61	$ 5.39	$ 5.33
Net income per unit	.019	.019	.019	.022	.047
Income distributed per unit	–	.002	–	.010	.043
Capital gains distributed per unit	.085	.095	–	–	–

4. Net asset values, income and distributions per unit: (continued)

	1995	1994	1993	1992	1991
Investors Pacific International Fund					
Net asset value per unit at December 31	$ 11.97	$ 11.81	$ 12.67	$ 6.74	$ 5.86
Net income per unit	.009	.011	.011	.069	.064
Income distributed per unit	–	.012	.001	.047	.050
Capital gains distributed per unit	–	–	–	.148	–
Investors Japanese Growth Fund					
Net asset value per unit at end of period *(note 1(b)(iv))*	$ 18.04	$ 18.70	$ 15.83	$ 11.91	$ 12.01
Net income (loss) per unit	(.237)	(.221)	(.186)	(.062)	(.057)
Income distributed per unit	–	–	–	–	
Capital gains distributed per unit	–	–	–	–	.150
Investors Asset Allocation Fund					
Net asset value per unit at December 31 *(note 1(b)(iii))*	$ 5.30	$ 4.78	$ –	$ –	$ –
Net income (loss) per unit	.320	(.116)	–	–	–
Income distributed per unit	.210	–	–	–	–
Capital gains distributed per unit	.075	–	–	–	–

	1995 Transition Period	1995	1994	1993	1992
Investors Income Portfolio					
Net asset value per unit at end of period *(note 1(b)(v))*	$ 5.54	$ 5.27	$ 5.29	$ 5.40	$ 5.22
Net income per unit	.233	.343	.341	.377	.412
Income allocated/distributed per unit	.219	.343	.341	.377	.414
Investors Income Plus Portfolio					
Net asset value per unit at end of period *(note 1(b)(v))*	$ 5.60	$ 5.35	$ 5.43	$ 5.44	$ 5.25
Net income per unit	.201	.296	.283	.321	.351
Income allocated/distributed per unit	.194	.297	.284	.324	.356
Capital gains distributed per unit	–	.031	–	–	–
Investors Retirement Plus Portfolio					
Net asset value per unit at end of period *(note 1(b)(v))*	$ 6.62	$ 6.24	$ 6.20	$ 5.74	$ 5.27
Net income per unit	.124	.175	.150	.162	.191
Income allocated/distributed per unit	.120	.173	.151	.162	.191
Capital gains distributed per unit	–	.026	–	.006	–
Investors Growth Plus Portfolio					
Net asset value per unit at end of period *(note 1(b)(v))*	$ 7.16	$ 6.54	$ 6.68	$ 6.10	$ 5.37
Net income per unit	.117	.178	.160	.164	.189
Income allocated/distributed per unit	.113	.178	.160	.163	.188
Capital gains distributed per unit	–	.225	–	–	–
Investors Retirement Growth Portfolio					
Net asset value per unit at end of period *(note 1(b)(v))*	$ 7.44	$ 6.81	$ 6.76	$ 5.91	$ 5.23
Net income (loss) per unit	(.006)	.006	.017	.026	.049
Income allocated/distributed per unit	–	.013	.016	.026	.049
Capital gains distributed per unit	–	.047	–	–	–

4. Net asset values, income and distributions per unit: (continued)

	1995 Transition Period	1995	1994	1993	1992
Investors Growth Portfolio					
Net asset value per unit at end of period *(note 1(b)(v))*	$ 8.84	$ 7.85	$ 8.12	$ 6.75	$ 5.60
Net income (loss) per unit	.007	.003	(.003)	.007	.027
Income allocated/distributed per unit	.003	.002	–	.007	.028
Capital gains distributed per unit	–	.460	–	–	–
Investors World Growth Portfolio					
Net asset value per unit at end of period *(note 1(b)(v) & (vi))*	$ 7.50	$ 6.91	$ 6.87	$ 5.60	$ –
Net income (loss) per unit	.012	.006	–	(.001)	–
Income allocated/distributed per unit	.008	.008	.008	–	–
Capital gains distributed per unit	–	.022	.004	–	–

5. Management fees and other expenses:

a) I.G. Investment Management Ltd. and I.G. International Management Limited (the Managers) provide investment and advisory services for a management fee as provided by the Investment Management and Service Agreements. Management fees and expenses (excluding GST) as a percentage of average net assets for the periods as noted are reflected below. Percentages are annualized where appropriate.

	1995	1994	1993	1992	1991
Investors Money Market Fund					
Management fees	1.00 %	1.00 %	1.00 %	1.00 %	1.00 %
Expenses	.07	.08	.08	.08	.08
	1.07 %	1.08 %	1.08 %	1.08 %	1.08 %
Investors Mortgage Fund					
Management fees	1.65 %	1.73 %	1.75 %	1.75 %	1.75 %
Expenses	.24	.11	.07	.07	.09
	1.89 %	1.84 %	1.82 %	1.82 %	1.84 %
Investors Real Property Fund					
Management fees	2.00 %	2.00 %	2.00 %	2.00 %	2.00 %
Expenses	.36	.15	.13	.12	.19
	2.36 %	2.15 %	2.13 %	2.12 %	2.19 %
Investors Government Bond Fund *(note 14)*					
Management fees	1.65 %	1.73 %	1.75 %	1.75 %	1.75 %
Expenses	.24	.11	.07	.07	.09
	1.89 %	1.84 %	1.82 %	1.82 %	1.84 %
Investors Corporate Bond Fund *(note 1 (b)(i))*					
Management fees	1.65 %	1.66 %	– %	– %	– %
Expenses	.25	.30	–	–	–
	1.90 %	1.96 %	– %	– %	– %
Investors Dividend Fund *(note 1 (b)(iv))*					
Management fees	2.00 %	2.00 %	2.00 %	2.00 %	2.02 %
Expenses	.25	.04	.01	.02	.02
	2.25 %	2.04 %	2.01 %	2.02 %	2.02 %
Investors Global Bond Fund *(note 1 (b)(ii))*					
Management fees	1.90 %	1.97 %	2.00 %	2.00 %	– %
Expenses	.28	.20	.15	.49	–
	2.18 %	2.17 %	2.15 %	2.49 %	– %
Investors Mutual of Canada *(note 1 (b)(iv))*					
Management fees	2.00 %	2.00 %	2.00 %	2.00 %	2.00 %
Expenses	.27	.05	.03	.04	.05
	2.27 %	2.05 %	2.03 %	2.04 %	2.05 %

5. Management fees and other expenses: (continued)

	1995		1994		1993		1992		1991	
Investors Summa Fund *(note 1 (b)(iv))*										
Management fees	2.00	%	2.00	%	2.00	%	2.00	%	2.00	%
Expenses	.36		.10		.09		.11		.17	
	2.36	%	2.10	%	2.09	%	2.11	%	2.17	%
Investors North American Growth Fund *(note 1 (b)(iv))*										
Management fees	2.00	%	2.00	%	2.00	%	2.00	%	1.94	%
Expenses	.30		.04		.05		.07		.09	
	2.30	%	2.04	%	2.05	%	2.07	%	2.03	%
Investors U.S. Growth Fund *(note 1 (b)(iv))*										
Management fees	2.00	%	2.00	%	2.00	%	2.00	%	2.00	%
Expenses	.29		.03		.03		.05		.06	
	2.29	%	2.03	%	2.03	%	2.05	%	2.06	%
Investors Retirement Mutual Fund										
Management fees	2.00	%	2.00	%	2.00	%	2.00	%	2.00	%
Expenses	.30		.12		.08		.10		.11	
	2.30	%	2.12	%	2.08	%	2.10	%	2.11	%
Investors Canadian Equity Fund										
Management fees	2.00	%	2.00	%	2.00	%	2.00	%	2.00	%
Expenses	.32		.12		.08		.09		.12	
	2.32	%	2.12	%	2.08	%	2.09	%	2.12	%
Investors Special Fund *(note 1 (b)(iv))*										
Management fees	2.00	%	2.00	%	2.00	%	2.00	%	2.00	%
Expenses	.30		.05		.07		.11		.14	
	2.30	%	2.05	%	2.07	%	2.11	%	2.14	%
Investors Global Fund *(note 1 (b)(iv))*										
Management fees	2.00	%	2.00	%	2.00	%	2.00	%	1.94	%
Expenses	.35		.07		.07		.09		.12	
	2.35	%	2.07	%	2.07	%	2.09	%	2.06	%
Investors European Growth Fund										
Management fees	2.00	%	2.00	%	2.00	%	2.00	%	2.00	%
Expenses	.36		.17		.16		.22		.39	
	2.36	%	2.17	%	2.16	%	2.22	%	2.39	%
Investors Pacific International Fund										
Management fees	2.00	%	2.00	%	2.00	%	2.00	%	2.00	%
Expenses	.45		.26		.24		.34		.54	
	2.45	%	2.26	%	2.24	%	2.34	%	2.54	%
Investors Japanese Growth Fund *(note 1 (b)(iv))*										
Management fees	2.00	%	2.00	%	2.00	%	2.00	%	2.00	%
Expenses	.34		.09		.08		.07		.09	
	2.34	%	2.09	%	2.08	%	2.07	%	2.09	%
Investors Asset Allocation Fund *(note 1 (b)(iii))*										
Management fees	2.25	%	2.25	%	–	%	–	%	–	%
Expenses	.32		.15		–		–		–	
	2.57	%	2.40	%	–	%	–	%		%

b) Investors Group Financial Services Inc. and Les Services Investors Limitée (the Distributors) are paid a service fee quarterly to compensate them for providing or arranging services to the Funds (with the exception of Investors Money Market Fund, Investors Mortgage Fund, Investors Government Bond Fund, Investors Global Bond Fund, Investors Corporate Bond Fund and the Portfolio Funds). A portion of the service fee is rebated by the Distributors to applicable Funds on a quarterly basis as outlined in the Funds' prospectuses. The rebate is distributed to eligible unitholders and is required to be reinvested in additional units at the net asset value per unit on the distribution dates. The service fee expense reflected on the statement of operations is net of the rebates distributed to unitholders.

c) The management fee and other expense ratio may vary from Mutual Fund to Mutual Fund.

5. Management fees and other expenses: (continued)

d) Goods and services tax (GST) paid by the Funds on their expenses is not recoverable. Investors Real Property Fund collects GST on commercial revenues and is eligible to claim input tax credits for the GST paid on expenses attributed to commercial activities.

e) Other expenses is comprised of bank charges, membership fees and other miscellaneous expenses. In respect of Investors Real Property Fund, other expenses also includes appraisal fees.

f) The Funds are responsible for the payment of all direct expenses related to their operation. The Managers provide or arrange for the provision of unitholder services such as transfer agency, fund accounting and other administrative services to the Funds. The Funds (with the exception of the Portfolio Funds) pay the Managers for the cost of these services. The Managers may, at their discretion, absorb a portion of the expenses otherwise chargeable to the Funds.

6. Portfolio Funds distribution fees and other expenses:

a) The Manager, I.G. Investment Management Ltd., provides administrative services. No management fees are charged. Distribution fees and expenses (excluding GST) as a percentage of average net assets for the periods as noted are reflected below. Percentages are annualized where appropriate.

	1995 Transition Period		1995		1994		1993		1992	
Investors Income Portfolio *(note 1 (b)(v))*										
Distribution fees	.15	%	.15	%	.15	%	.15	%	.15	%
Expenses	.01		.02		.03		.02		.04	
	.16	%	.17	%	.18	%	.17	%	.19	%
Investors Income Plus Portfolio *(note 1 (b)(v))*										
Distribution fees	.15	%	.15	%	.15	%	.15	%	.15	%
Expenses	.02		.02		.02		.02		.03	
	.17	%	.17	%	.17	%	.17	%	.18	%
Investors Retirement Plus Portfolio *(note 1 (b)(v))*										
Distribution fees	.15	%	.15	%	.15	%	.15	%	.15	%
Expenses	.02		.03		.04		.02		.08	
	.17	%	.18	%	.19	%	.17	%	.23	%
Investors Growth Plus Portfolio *(note 1 (b)(v))*										
Distribution fees	.15	%	.15	%	.15	%	.15	%	.15	%
Expenses	.02		.03		.03		.02		.04	
	.17	%	.18	%	.18	%	.17	%	.19	%
Investors Retirement Growth Portfolio *(note 1 (b)(v))*										
Distribution fees	.15	%	.15	%	.15	%	.15	%	.15	%
Expenses	.03		.05		.06		.03		.12	
	.18	%	.20	%	.21	%	.18	%	.27	%
Investors Growth Portfolio *(note 1 (b)(v))*										
Distribution fees	.15	%	.15	%	.15	%	.15	%	.15	%
Expenses	.02		.03		.04		.03		.04	
	.17	%	.18	%	.19	%	.18	%	.19	%
Investors World Growth Portfolio *(note 1 (b)(v) & (vi))*										
Distribution fees	.15	%	.15	%	.15	%	.15	%	–	%
Expenses	.03		.04		.07		.25		–	
	.18	%	.19	%	.22	%	.40	%	–	%

b) The distribution fee and expense ratio may vary from Mutual Fund to Mutual Fund.

c) Goods and services tax paid by the Funds on their expenses is not recoverable.

d) Other expenses is comprised of bank charges, membership fees and other miscellaneous expenses.

7. Units outstanding:

For the years ended as noted (unless otherwise specified).

	Investors Money Market Fund		Investors Mortgage Fund		Investors Real Property Fund	
	December 31 1995	December 31 1994	December 31 1995	December 31 1994	December 31 1995	December 31 1994
Units outstanding, beginning of period	400,763,163	332,331,979	621,671,031	681,365,836	75,050,993	81,366,189
Add (deduct):						
Units sold	1,255,388,384	1,935,264,954	69,619,172	118,832,082	6,792,448	14,346,927
Units redeemed	(1,143,461,803)	(1,883,320,655)	(123,977,980)	(217,818,272)	(6,199,192)	(21,970,866)
Reinvestment from distributions of:						
Income	26,616,531	16,486,885	34,785,752	39,291,385	3,371,688	1,278,743
Return of capital	–	–	–	–	357,576	–
Total units outstanding, end of period	539,306,275	400,763,163	602,097,975	621,671,031	79,343,513	75,020,993
Class A Units outstanding *					8,631,805	16,088,819
Class B Units outstanding *					70,711,708	58,932,174
					79,343,513	75,020,993

* *Class A and Class B unitholders share equally in the allocation of net income, capital cost allowance and net realized capital gains of the Fund. Class A units are a qualified investment for Registered Retirement Savings Plans.*

	Investors Government Bond Fund *(note 14)*		Investors Corporate Bond Fund *(note 1 (b)(i))*		Investors Dividend Fund *(note 1 (b)(iv))*	
	December 31 1995	December 31 1994	December 31 1995	December 31 1994	December 31 1995	November 31 1994
Units outstanding, beginning of period	315,582,807	354,548,395	56,751,800	–	221,798,629	226,105,669
Add (deduct):						
Units sold	60,270,027	59,376,554	9,891,503	56,740,485	31,135,506	79,612,723
Units redeemed	(57,133,665)	(115,442,348)	(5,300,084)	(176,800)	(42,270,159)	(92,900,786)
Reinvestment from distributions of:						
Income	16,619,333	17,100,206	3,117,486	188,115	8,664,950	8,084,249
Capital gains	–	–	491,171	–	–	–
Return of capital	–	–	–	–	1,056,829	–
Units outstanding, end of period	335,338,502	315,582,807	64,951,876	56,751,800	220,385,755	220,901,855
Common shares outstanding, end of period (note 1 (b)(iv))	–	–	–	–	–	1,000
Total units outstanding, end of period	335,338,502	315,582,807	64,951,876	56,751,800	220,385,755	220,902,855

	Investors Global Bond Fund		Investors Mutual of Canada *(note 1 (b)(iv))*		Investors Summa Fund *(note 1 (b)(iv))*	
	December 31 1995	December 31 1994	December 31 1995	October 31 1994	December 31 1995	October 31 1994
Units outstanding, beginning of period	49,557,662	23,144,863	65,606,872	44,984,085	21,373,942	20,841,690
Add (deduct):						
Units sold	9,694,951	36,873,890	6,822,137	27,660,803	2,004,850	6,964,907
Units redeemed	(9,710,923)	(11,618,653)	(10,169,190)	(17,153,917)	(6,476,661)	(6,608,866)
Reinvestment from distributions of:						
Income	1,291,668	1,157,562	1,183,656	833,651	327,808	109,075
Capital gains	290,180	–	–	–	582,770	
Return of capital	–	–	312,867	–	90,425	–
Units outstanding, end of period	51,123,538	49,557,662	63,756,342	56,324,622	17,903,134	21,306,806
Common shares outstanding, end of period (note 1(b)(iv))	–	–	–	3,000	–	
Total units outstanding, end of period	51,123,538	49,557,662	63,756,342	56,327,622	17,903,134	21,306,806

7. Units outstanding: (continued)

	Investors North American Growth Fund *(note 1 (b)(iv))*		Investors U.S. Growth Fund *(note 1 (b)(iv))*		Investors Retirement Mutual Fund	
	December 31 1995	August 31 1994	December 31 1995	September 30 1994	December 31 1995	December 31 1994
Units outstanding, beginning of period	85,587,881	71,755,677	20,714,880	20,822,385	138,672,021	124,755,389
Add (deduct):						
Units sold	14,273,197	32,205,708	5,741,213	6,838,507	29,366,495	39,216,767
Units redeemed	(14,238,923)	(27,369,860)	(4,972,497)	(7,857,198)	(22,536,027)	(25,300,135)
Reinvestment from distributions of:						
Income	632,067	42,607	22,576	–	–	–
Capital gains	410,599	530,704	–	–	–	–
Return of capital	405,081	–	99,614	–	655,530	–
Units outstanding, end of period	87,069,902	77,164,836	21,605,786	19,803,694	146,158,019	138,672,021
Common shares outstanding, end of period (note 1 (b)(iv))	–	2,000	–	1,000	–	–
Total units outstanding, end of period	87,069,902	77,166,836	21,605,786	19,804,694	146,158,019	138,672,021

	Investors Canadian Equity Fund		Investors Special Fund *(note 1 (b)(iv))*		Investors Global Fund *(note 1 (b)(iv))*	
	December 31 1995	December 31 1994	December 31 1995	September 30 1994	December 31 1995	August 31 1994
Units outstanding, beginning of period	174,323,532	121,144,493	18,571,543	11,839,315	82,973,115	51,489,024
Add (deduct):						
Units sold	72,667,803	76,110,158	3,580,987	8,715,599	18,375,301	17,317,669
Units redeemed	(31,288,663)	(28,488,367)	(2,708,881)	(5,112,418)	(9,935,285)	(13,340,719)
Reinvestment from distributions of:						
Income	101,217	143,980	125,953	–	–	192,613
Capital gains	–	5,413,268	123,473	91,797	2,149,837	224,858
Return of capital	849,291	–	87,822	–	399,880	–
Units outstanding, end of period	216,653,180	174,323,532	19,780,897	15,534,293	93,962,848	55,883,445
Common shares outstanding, end of period (note 1 (b)(iv))	–	–	–	1,000	–	1,000
Total units outstanding, end of period	216,653,180	174,323,532	19,780,897	15,535,293	93,962,848	55,884,445

	Investors European Growth Fund		Investors Pacific International Fund		Investors Japanese Growth Fund *(note 1 (b)(iv))*	
	December 31 1995	December 31 1994	December 31 1995	December 31 1994	December 31 1995	November 30 1994
Units outstanding, beginning of period	81,526,788	43,570,625	89,999,140	72,916,642	25,060,362	20,623,725
Add (deduct):						
Units sold	25,619,673	53,855,048	32,834,078	59,457,181	28,343,550	15,853,363
Units redeemed	(13,360,093)	(16,875,019)	(27,462,236)	(42,450,616)	(18,242,512)	(12,535,317)
Reinvestment from distributions of:						
Income	–	12,257	–	75,933	–	–
Capital gains	745,438	963,877	–	–	–	–
Return of capital	394,882	–	429,317	–	138,210	–
Units outstanding, end of period	94,926,688	81,526,788	95,800,299	89,999,140	35,299,610	23,941,771
Common shares outstanding, end of period (note 1 (b)(iv))	–	–	–	–	–	3,000
Total units outstanding, end of period	94,926,688	81,526,788	95,800,299	89,999,140	35,299,610	23,944,771

7. Units outstanding: (continued)

	Investors Asset Allocation Fund *(note 1 (b)(iii))*		Investors Income Portfolio *(note 1 (b)(v))*		Investors Income Plus Portfolio *(note 1 (b)(v))*	
	December 31 1995	December 31 1994	Eight months ended December 31 1995	Year ended April 30 1995	Eight months ended December 31 1995	Year ended April 30 1995
Units outstanding, beginning of period	89,530,153	–	164,068,248	174,250,766	232,402,345	248,752,65
Add (deduct):						
Units sold	31,766,406	103,584,863	21,727,231	27,600,673	24,911,416	49,360,771
Units redeemed	(23,049,485)	(14,054,710)	(24,193,841)	(48,517,059)	(38,056,530)	(80,472,491)
Reinvestment from distributions of:						
Income	3,877,377	–	7,365,630	10,733,868	8,510,538	13,085,171
Capital gains	1,434,098	–	–	–	–	1,389,864
Return of capital	416,079	–	–	–	272,685	286,379
Total units outstanding, end of period	103,974,628	89,530,153	168,967,268	164,068,248	228,040,454	232,402,345

	Investors Retirement Plus Portfolio *(note 1 (b)(v))*		Investors Growth Plus Portfolio *(note 1 (b)(v))*		Investors Retirement Growth Portfolio *(note 1 (b)(v))*	
	Eight months ended December 31 1995	Year ended April 30 1995	Eight months ended December 31 1995	Year ended April 30 1995	Eight months ended December 31 1995	Year ended April 30 1995
Units outstanding, beginning of period	193,383,522	159,621,362	34,433,533	35,704,371	138,243,176	71,031,714
Add (deduct):						
Units sold	31,379,877	67,059,111	3,462,897	6,258,228	36,985,604	82,376,634
Units redeemed	(23,520,532)	(39,241,007)	(5,234,171)	(9,847,939)	(17,443,529)	(16,387,441)
Reinvestment from distributions of:						
Income	4,063,562	4,894,403	607,053	991,625	–	178,671
Capital gains	–	782,546	163	1,266,928	–	772,213
Return of capital	265,797	267,107	55,966	60,320	290,484	271,385
Total units outstanding, end of period	205,572,226	193,383,522	33,325,441	34,433,533	158,075,735	138,243,176

	Investors Growth Portfolio *(note 1 (b)(v))*		Investors World Growth Portfolio *(note 1 (b)(v))*	
	Eight months ended December 31 1995	Year ended April 30 1995	Eight months ended December 31 1995	Year ended April 30 1995
Units outstanding, beginning of period	33,039,347	30,852,602	96,709,656	50,505,197
Add (deduct):				
Units sold	4,788,532	7,041,566	23,135,233	61,450,483
Units redeemed	(4,010,015)	(6,879,457)	(14,057,031)	(15,837,108)
Reinvestment from distributions of:				
Income	9,664	9,716	105,446	97,281
Capital gains	–	1,933,539	–	279,920
Return of capital	78,738	81,381	219,845	213,883
Total units outstanding, end of period	33,906,266	33,039,347	106,113,149	96,709,656

8. Brokers' commissions:

Total commissions paid by the following Funds to brokers in connection with portfolio transactions for the year ended December 31, 1995 as compared to the fiscal year ended in 1994 were:

	1995	1994 Fiscal Year	
		Amount	Year Ended
Investors Dividend Fund	$ 37,745	$ 653,193	November 30
Investors Mutual of Canada	437,830	457,173	October 31
Investors Summa Fund	295,738	274,964	October 31
Investors North American Growth Fund	959,270	2,220,607	August 31
Investors U.S. Growth Fund	298,415	306,164	September 30
Investors Retirement Mutual Fund	2,179,362	2,452,709	December 31
Investors Canadian Equity Fund	2,771,489	2,869,243	December 31
Investors Special Fund	398,443	537,500	September 30
Investors Global Fund	2,414,085	1,337,358	August 31
Investors European Growth Fund	1,947,432	1,573,717	December 31
Investors Pacific International Fund	905,374	1,372,189	December 31
Investors Japanese Growth Fund	1,122,927	1,103,575	November 30
Investors Asset Allocation Fund	89,622	40,781	December 31

During the fiscal years ended as noted, the Manager acted as agent in connection with the following values in purchases and sales transactions for the Funds and other Investors Mutual or Pooled Trust Funds of which it is the Manager. The transactions were executed at market value with normal terms of settlement. No commissions were paid on these transactions. The net values of the purchases (sales) transactions were:

	1995	1994 Fiscal Year	
		Amount	Year Ended
Investors Mortgage Fund	$ –	$ (262,597,505)	December 31
Investors Government Bond Fund *(note 14)*	–	(218,042,870)	December 31
Investors Corporate Bond Fund	–	480,640,375	December 31
Investors North American Growth Fund	–	475,000	August 31
Investors Special Fund	–	(475,000)	September 30
Investors Global Fund	–	(916,416)	August 31
Investors European Growth Fund	–	89,898	December 31

9. Commitments:

Investors Asset Allocation Fund
As at December 31, 1995 the Fund held the following futures contracts:

Number of Contracts	Type of Contract	Expiry Date	Unrealized Gain /(Loss) (Canadian $)
466	Simex Nikkei Stock Index Futures	March 1996	$ 2,998,659
50	Nikkei 300 Index Futures	March 1996	143,305
2,702	Spain IBEX Index Futures	January 1996	226,319
70	UK FTSE-100 Futures	March 1996	122,442
33	US S & P Futures	March 1996	118,773
10	US S & P Futures	June 1996	(47,440)
189	Belgium 20 Futures	January 1996	72,229
15	Germany DAX - 30 Futures	March 1996	(7,330)
82	Sweden OMX - 30 Futures	January 1996	10,917
73	Switzerland SM Futures	January 1996	86,237
40	France CAC-40 Futures	March 1996	30,115
8	Netherlands EOE Futures	January 1996	7,104

These futures contracts are financial agreements to purchase or sell underlying securities at a specified price on a specified future date. The Fund does not intend to purchase or sell the underlying securities on the expiry date; it intends to close out each futures contract before the expiry date by entering into equal, but offsetting, futures contracts.

As at December 31, 1995, the Fund held on margin the following with respect to the above futures contracts:

$ 5,060,000 USD	03-14-96 U.S. Treasury Bill
$ 5,190,000 CDN	03-14-96 Government of Canada Treasury Bill

Investors Real Property Fund
As at December 31, 1995, the Fund held requests for the redemption of 112,807 units for January 15, 1996 and 24,577 units for January 31, 1996.

10. Long term debt:

As at December 31, with respect to Investors Real Property Fund, mortgages payable were carried on the following properties in the amounts noted:

	1995	1994
750 Cambie Street with interest at 10% per annum, monthly payments of $10,734, maturing October 1, 1996	$ 103,131	$ 215,695
Imperial Square Business Park with interest at 10% per annum, monthly payments of $62,892, maturing November 1, 1996	6,072,878	6,224,397
Impact Plaza with interest at 8.875% per annum, monthly payments of $90,176, maturing October 1, 1997	10,551,710	10,706,799
Reed Stenhouse Building with interest at 10.45% per annum, monthly payments of $46,247, maturing December 1, 1997**	4,521,077	4,565,907
11450 Cote de Liesse Road with interest at 12.50% per annum, monthly payments $6,402, maturing February 1, 1996	448,348	469,167
703-729 Meloche with interest at 12.50% per annum, monthly payments $5,986, maturing February 1, 1996	419,204	438,670
2 Hanover with interest at 13.50% per annum, monthly payments of $52,593, matured June 1, 1995	–	4,638,702
4 Hanover with interest at 13.50% per annum, monthly payments of $65,130, matured December 1, 1995	–	5,750,076
2 Hanover with interest at 0.0% per annum and no payments until maturity, interest will be at 14.25% per annum if the principal is not paid on maturity, June 1, 2000	1,643,850	1,643,850
4 Hanover with interest at 0.0% per annum and no payments until maturity, interest will be at 14.25% per annum if the principal is not paid on maturity, December 1, 2000	1,895,400	1,895,400
6299 Airport Road with interest at 11.25% per annum, monthly payments of $12,995, maturing June 1, 2003	1,208,868	1,232,720
6303 Airport Road with interest at 10.75% per annum, monthly payments of $15,740, maturing April 1, 2001	1,581,710	1,605,249
6715-6725 Airport Road with interest at 11.625% per annum, monthly payments of $39,882, maturing May 1, 2001	487,000	428,605
Britannia Place with interest at 11.72% per annum, monthly payments of $52,916, maturing May 1, 2014	5,084,397	5,140,260
Heartland Corporation Centre with interest at 10.875% per annum, monthly payments of $51,752, maturing March 1, 2010	5,076,196	5,160,630
6509 Airport Road with interest at 17.125% per annum, monthly payments of $17,637, maturing July 1, 1998	1,208,260	1,219,521
6655 Airport Road with interest at 10.70% per annum, monthly payments of $3,403, maturing June 1, 1998	326,984	333,832
6695 Airport Road with interest at 11.625% per annum, monthly payments of $11,063, maturing May 1, 2001	374,754	351,102
3035 Orlando Drive with interest at 11.25% per annum, monthly payments of $5,389, maturing May 13, 2001	477,238	491,399
5201 Explorer Drive with interest at 12.65% per annum, monthly payments of $13,471, maturing July 15, 2000	1,086,043	1,119,142
81 Maybrook Drive with interest at 10.625% per annum, monthly payments of $11,711, maturing July 1, 2002	981,968	1,000,193
875 Middlefield Road with interest at 11.625% per annum, monthly payments of $18,606, maturing June 1, 2008	1,696,974	1,725,746
335 Passmore Avenue with interest at 10.75% per annum, monthly payments of $9,454, maturing August 1, 1997	891,987	910,525

10. Long term debt: (continued)

	1995	1994
345 Passmore Avenue with interest at 12.625% per annum, monthly payments of $8,069, maturing March 13, 2000	$ 649,161	$ 668,910
230 Barmac Drive with interest at 10.25% per annum, monthly payments of $9,570, maturing June 16, 1998	615,118	672,096
590 Barmac Drive with interest at 12.625% per annum, monthly payments of $7,531, maturing February 13, 2001	616,809	633,923
650 Barmac Drive with interest at 10.70% per annum, monthly payments of $5,644, maturing June 1, 1998	542,279	553,636
250 Fenmar Drive with interest at 9.750% per annum, monthly payments of $10,665, maturing September 1, 1997	996,369	1,027,899
400 Fenmar Drive with interest at 11.25% per annum, monthly payments of $10,225, maturing July 13, 2001	918,394	943,863
1235 Ormont Drive with interest at 11.625% per annum, monthly payments of $16,595, maturing May 1, 2001	840,568	845,459
1295 Ormont Drive with interest at 10.70% per annum, monthly payments of $12,148, maturing June 1, 1998	1,167,282	1,191,729
1700-1880 Ormont Drive with interest at 12.40% per annum, monthly payment of $6,964, maturing June 17, 2005	621,263	633,009
55 East Beaver Creek Road with interest at 11.13% per annum, monthly payments of $22,223, maturing March 1, 1996	1,980,451	2,033,022
60 Leek Crescent with interest at 11.125% per annum, monthly payments of $20,977, maturing December 18, 1996	1,908,456	1,962,967
Total long term debt	$ 56,994,127	$ 68,434,100
Current portion of long term debt	$ 11,663,952	$ 12,472,244

** *Reed Stenhouse Building*

The Fund originally purchased 50% of the Reed Stenhouse property on May 2, 1988. Subsequently, on June 1, 1988, the Fund acquired the remaining 50% of the property. The Fund did not provide an assumption agreement with respect to the existing mortgage on the property. Due to the continuing deterioration of property values in the area, the property's market value has fallen to less than the principal balance of the mortgage. Management has decided not to invest additional funds in the property and the Fund ceased making payments under the mortgage and for other expenses as of June 1, 1995.

The lender has issued a Statement of Claim against the previous owner (now in bankruptcy) for the balance of principal and interest due under the mortgage. Subsequently, the Trustee in Bankruptcy for the previous owner issued a Statement of Claim against Investors Group Trust Co. Ltd. as Trustee for Investors Real Property Fund for the balance due under the mortgage and related costs. A Statement of Defense is being prepared by Investors Group Trust Co. Ltd. as Trustee for the Fund. The loss to the Fund, if any, although not determinable at this time, is not considered to be significant.

11. Net property income and Canada Way Business Park:

a) Net property income for Investors Real Property Fund (in thousands) for the years ended December 31, 1995 and 1994 was:

	1995	1994
Gross property rental income	$ 45,879	$ 30,010
Property expense		
General operating expenses	16,141	10,195
Property management fees	1,445	981
Mortgage interest	6,351	3,602
Total property expenses	23,937	14,778
Net property rental income	21,942	15,232
Property development expense (see pg. 103)	(633)	(693)
Net property income	$ 21,309	$ 14,539

11. Net property income and Canada Way Business Park: (continued)

b) Investors Real Property Fund entered into a long-term lease effective October 9, 1990, with an option to purchase 75% of Canada Way Business Park, 4878 Manor Street, Burnaby, B.C. The Fund's portion of the option to purchase is $6,900,000 and is exercisable at any time prior to July 31, 2006. Under the option to purchase arrangement, the Fund is committed, until such time as the option to purchase is exercised or expires, to annual lease payments of $483,000 (August 1, 1991 to July 31, 1996) and $552,000 (August 1, 1996 to July 31, 2006).

The purchase option liability is being increased over the life of the lease on the future value of an annuity basis to the future purchase price of $6,900,000 at the expiration of the lease. This increase together with the lease payments and the land taxes totaling $632,878 (1994 - $692,692) are being reported as property development expense in part (a). These costs were not deductible in computing the Fund's net income for tax purposes for the year and, as a result, the Fund's income for accounting purposes differs from income for tax purposes.

During the current year, the Fund began construction of a 53,000 square foot office building with a total estimated cost of $6.8 million. All pre-development costs have been capitalized and are assigned a market value of nil. All property development costs, other than those referred to above, are capitalized and assigned a market value equal to cost. When construction of this phase is substantially complete and leasing has attained a predetermined percentage range of 85 - 90% (designated as the capitalization date), the property will be assigned a market value based on its appraised value. Subsequently, an annual appraisal will be conducted on the capitalization anniversary date.

The land is subject to an annual appraisal and is valued at market. The land was appraised effective October 9, 1995, the anniversary date, by Burgess, Austin & Associates at a market value of $5,850,000.

12. Appraisals:

In respect of Investors Real Property Fund, the Trustee is not aware of any factors or changes which have materially affected the most recent appraisal of each of the properties owned by the Fund.

13. Par value:

Foreign currency amounts included in the statements of investments, except the par value of securities, have been expressed in Canadian dollars. The par value of securities are expressed in the currency of origin unless otherwise noted on that statement.

14. Name change:

At a special meeting of unitholders of Investors Bond Fund held on September 23, 1994, a special resolution was approved to allow for the revision of the Fund's investment policy and restrictions and the change of the Fund's name to Investors Government Bond Fund.

15. Comparative figures:

Certain prior period comparative figures have been restated to conform with the current period's presentation.

16. Redemptions:

Unitholders have the right to redeem all or part of their units at any time. This may be done by completing a Redemption Request or by writing a letter to the Fund (see note 18 for address) and by attaching the Unit Certificate where applicable. For Investors Real Property Fund, redemption requests must be received by the Fund one calendar month prior to the valuation day on which the units will be redeemed.

17. Income reinvestment:

A unitholder may terminate any authorization given providing for automatic investment of income or capital gains for Investors Money Market Fund if minimum requirements are met and the Fund is provided with the required notice. For Investors Mortgage Fund, Investors Real Property Fund. Investors Government Bond Fund (note 14), Investors Corporate Bond Fund, Investors Global Bond Fund, Investors Income Portfolio and Investors Income Plus Portfolio, a unitholder may terminate any authorization given providing for automatic investment of income or capital gains with proper notification provided to the Funds. For the remaining Funds, all income is required to be reinvested in additional units at their net asset value.

18. Current annual information form and portfolio transactions:

A copy of a Fund's current annual information form (or prospectus in the case of Investors Real Property Fund) or a Fund's statement of portfolio transactions (unaudited) for the fiscal period ended December 31, 1995 will be provided, without charge by writing to: Investors Group Financial Services Inc., One Canada Centre, 447 Portage Avenue, Winnipeg, Manitoba, R3C 3B6.

Auditors' Report to the Unitholders of:

Investors Money Market Fund
Investors Mortgage Fund
Investors Real Property Fund
Investors Government Bond Fund
Investors Corporate Bond Fund
Investors Dividend Fund
Investors Global Bond Fund
Investors Mutual of Canada
Investors Summa Fund
Investors North American Growth Fund
Investors U.S. Growth Fund
Investors Retirement Mutual Fund
Investors Canadian Equity Fund
Investors Special Fund
Investors Global Fund
Investors European Growth Fund
Investors Pacific International Fund
Investors Japanese Growth Fund
Investors Asset Allocation Fund
Investors Income Portfolio
Investors Income Plus Portfolio
Investors Retirement Plus Portfolio
Investors Growth Plus Portfolio
Investors Retirement Growth Portfolio
Investors Growth Portfolio
Investors World Growth Portfolio

We have audited the following statements:

Fund	Statements of Net Assets as at:	Statements of Operations, Changes in Net Assets and Changes in Investments for:
Investors Money Market Fund Investors Mortgage Fund Investors Real Property Fund Investors Government Bond Fund	December 31, 1995 and 1994	The years ended December 31, 1995 and 1994
Investors Corporate Bond Fund	December 31, 1995 and 1994	The year ended December 31, 1995 and for the period from May 9, 1994 to December 31, 1994
Investors Dividend Fund	December 31, 1995 and November 30, 1994	The years ended December 31, 1995 and November 30, 1994
Investors Global Bond Fund	December 31, 1995 and 1994	The years ended December 31, 1995 and 1994
Investors Mutual of Canada Investors Summa Fund	December 31, 1995 and October 31, 1994	The years ended December 31, 1995 and October 31, 1994
Investors North American Growth Fund	December 31, 1995 and August 31, 1994	The years ended December 31, 1995 and August 31, 1994
Investors U.S. Growth Fund	December 31, 1995 and September 30, 1994	The years ended December 31, 1995 and September 30, 1994
Investors Retirement Mutual Fund Investors Canadian Equity Fund	December 31, 1995 and 1994	The years ended December 31, 1995 and 1994
Investors Special Fund	December 31, 1995 and September 30, 1994	The years ended December 31, 1995 and September 30, 1994
Investors Global Fund	December 31, 1995 and August 31, 1994	The years ended December 31, 1995 and August 31, 1994
Investors European Growth Fund Investors Pacific International Fund	December 31, 1995 and 1994	The years ended December 31, 1995 and 1994
Investors Japanese Growth Fund	December 31, 1995 and November 30, 1994	The years ended December 31, 1995 and November 30, 1994
Investors Asset Allocation Fund	December 31, 1995 and 1994	The year ended December 31, 1995 and for the period from January 17, 1994 to December 31, 1994
Investors Income Portfolio Investors Income Plus Portfolio Investors Retirement Plus Portfolio Investors Growth Plus Portfolio Investors Retirement Growth Portfolio Investors Growth Portfolio Investors World Growth Portfolio	December 31, 1995 and April 30, 1995	The eight months ended December 31, 1995 and for the year ended April 30, 1995

We have also audited the statement of investments for each of these Funds as at December 31, 1995. These financial statements are the responsibility of the Funds' management. Our responsibility is to express an opinion on these financial statements based on our audits.

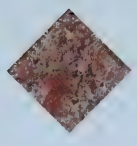
We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Funds as at the dates listed, the investments of the Funds as at December 31, 1995 and the results of their operations and the changes in their net assets and investments for the stated periods in accordance with generally accepted accounting principles.

Winnipeg, Canada
January 22, 1996

KPMG Peat Marwick Thorne
Chartered Accountants

Financial Planning Centres



BRITISH COLUMBIA

Burnaby – Metro	(604) 431-0117
Campbell River	(604) 287-4739
Chilliwack	(604) 792-7943
Clearbrook – Fraser Valley	(604) 853-8111
Courtenay	(604) 338-7811
Cranbrook	(604) 489-6100
Kamloops	(604) 372-2955
Kelowna	(604) 762-3329
Nanaimo	(604) 754-8223
Nelson	(604) 352-7777
New Westminster	(604) 526-3725
Penticton	(604) 492-8806
Prince George – B.C. North	(604) 564-2310
Richmond	(604) 270-7700
Surrey	(604) 572-5176
* Vancouver	(604) 685-5385
Vancouver – City Square	(604) 879-2354
Vancouver – Downtown	(604) 682-5431
Vernon	(604) 545-9188
Victoria	(604) 388-4234
Victoria – Metro	(604) 475-3499

ALBERTA

* Calgary	(403) 245-2275
Calgary – Centre	(403) 229-0555
Calgary – Chinook	(403) 253-4840
Calgary – North Hill	(403) 284-0494
Calgary – South	(403) 278-9750
Edmonton – Centre	(403) 424-3000
Edmonton – Mayfield	(403) 486-5000
Edmonton – Metro	(403) 448-1988
Edmonton – South Side	(403) 468-1658
Lethbridge – Alberta South	(403) 328-2600
Red Deer	(403) 343-7030

SASKATCHEWAN

Regina	(306) 757-3511
Saskatoon – East	(306) 653-3207
Saskatoon – Preston	(306) 955-9190

MANITOBA

Brandon	(204) 729-2000
* Winnipeg	(204) 956-8237
Winnipeg – Downtown	(204) 943-6828
Winnipeg – One Canada Centre	(204) 943-0361
Winnipeg – Regent	(204) 669-7777
Winnipeg – South	(204) 489-4640
Winnipeg – West	(204) 786-2708

ONTARIO

Barrie	(705) 726-7836
Brampton	(905) 450-1500
Cornwall	(613) 933-7777
Grimsby	(905) 945-4554
Guelph	(519) 836-6320
Hamilton	(905) 529-7165
Kingston	(613) 542-4941
Kitchener	(519) 886-2360
Lindsay	(705) 878-3863
London	(519) 679-8993
* London	(519) 679-6588
London – West	(519) 641-8998

ONTARIO (continued)

Markham	(905) 737-8966
Mississauga	(905) 306-0031
Niagara Falls	(905) 374-2842
North Bay	(705) 472-4731
Oakville	(905) 847-7776
Oshawa/Whitby	(905) 434-8400
Ottawa – East	(613) 742-8018
Ottawa – Nepean	(613) 723-7200
Ottawa – West	(613) 798-7700
Owen Sound	(519) 372-1177
Peterborough	(705) 876-1282
Pickering	(905) 831-0034
Sarnia	(519) 336-4262
Sault Ste. Marie	(705) 759-0220
St. Catharines	(905) 682-7292
Sudbury	(705) 674-4551
Thunder Bay	(807) 345-6363
* Toronto	(416) 223-4440
Toronto – Don Mills	(416) 449-0600
Toronto – Downtown	(416) 860-1668
Toronto – East	(416) 292-7229
Toronto – Fairview	(416) 491-7400
Toronto – West	(416) 236-2564
Windsor	(519) 969-7526

QUÉBEC

Brossard – Rive Sud	(514) 443-6496
Chicoutimi – Saguenay	(418) 696-1331
Hull – Gatineau	(819) 243-6497
Laval	(514) 973-2333
Montréal – Anjou	(514) 493-1669
Montréal – Décarie	(514) 733-1796
Montréal – Île-des-Soeurs	(514) 766-7736
Montréal – Jacques-Cartier	(514) 528-1380
Montréal – West Island	(514) 426-0886
Montréal – Westmount	(514) 935-3520
* Montréal	(514) 285-2035
Québec	(418) 649-1143
Sainte-Foy	(418) 654-1411
Saint-Georges – Beauce-Amiante	(418) 227-8631
Sherbrooke	(819) 566-0666
Trois-Rivières – La Mauricie	(819) 378-2371
Val-d'Or – Abitibi-Témiscamingue	(819) 825-8533

NEW BRUNSWICK

Fredericton	(506) 458-9930
Moncton	(506) 857-8055
Saint John	(506) 632-8930

PRINCE EDWARD ISLAND

Charlottetown	(902) 566-4661

NOVA SCOTIA

Dartmouth	(902) 468-3444
Halifax	(902) 423-8294
* Halifax	(902) 453-0443
Sydney	(902) 562-5000
Truro – Nova North	(902) 893-1306

NEWFOUNDLAND

Corner Brook	(709) 634-3126
St. John's	(709) 753-4300

* Mortgage loans are available through all listed offices. Asterisk (*) indicates offices offering only mortgage loan products.

Investors Group
You're Worth More

Investors Group Financial Services Inc.
Head Office:
One Canada Centre,
447 Portage Avenue,
Winnipeg, Manitoba R3C 3B6
Phone: (204) 943-0361
Fax: (204) 949-1340

Les Services Investors Limitée
Head Office:
1501, av. McGill College,
Bureau 1488,
Montréal, (Québec) H3A 3M8
Phone: (514) 843-3356
Fax: (514) 843-5205

For information, call toll free 1 800 644-7707
http://www.investorsgroup.com

C 2470 03/96

AR16

Notice to Unit Holders

Investors Group

Dear Valued Client

Over the past few months certain investments, called derivatives, have become international front page news largely because they have played a part in the bankruptcies of Orange County, in California, and Barings Bank, in England.

A recent episode of "60 Minutes" also took a look at the use of derivatives in these failures, and made mention of the fact that many mutual funds and pension funds invest in them. This has caused some concern about the use of derivatives in mutual funds.

It's true that many mutual funds and pension funds do use derivatives as part of their investment strategies. But these reports failed to mention that derivatives, when used prudently, may actually lower a portfolio's overall risk exposure.

As well, there are several important differences between what's happened elsewhere and our own use of derivatives:

- In Canada, the use of derivatives by mutual funds is stringently regulated by a national policy statement that is regulated by the provincial securities regulators. This policy statement greatly restricts how and when a mutual fund in Canada can use derivatives.
- For example: Canadian mutual funds *cannot* use derivatives for speculative purposes. Most, if not all, of the much-publicized failures have resulted from using derivatives in this manner.

I hope this package will help you understand what derivatives are, how they may be properly used by your fund, and what role they play in your Investors Group mutual funds. You will see that, at Investors Group, the use of derivatives is consistent with the goals of our very prudently managed mutual funds.

I am also enclosing an excerpt from the simplified prospectus of your fund that discloses how derivatives may be used to manage its assets. It's quite detailed, but if your fund is among those listed, I urge you to read it. After all, it's your money and we want to help you understand how it's invested.

Yours truly,

R. E. Archer

Richard E. Archer
President,
Investors Group Trust Co. Ltd.

Special Edition

Derivatives made easy

For Investors Group Clients March 1995

What is a derivative?

A derivative is a type of investment that has a value based on the value of other securities, such as stocks, bonds, mortgages, currencies, and commodities.

A derivative provides a return (either positive or negative) similar to the underlying security, but can be purchased at a fraction of the investment itself.

There are many different kinds of derivatives, although futures and options are among the most common.

Futures

A future is an agreement between two parties to buy or sell an investment at a fixed price on a future date.

Options

An option is an agreement between two parties providing the right to buy or sell an investment at a fixed price on a future date.

Options are similar to making a deposit to purchase something. Your deposit gives you the right to reserve an item for a certain length of time, but it doesn't oblige you to actually buy the item. If you don't buy the item, you simply lose your deposit.

The main difference between options and futures is that options give a purchaser a right, not an obligation, to buy something. Futures contracts are an obligation.

When are derivatives used?

Canadian mutual funds have been allowed to use derivatives since about 1992, although derivatives themselves have been around for years.

One of the reasons derivatives are so popular is because the transaction costs can be only a fraction of the cost of the underlying security. This gives the investor the opportunity to capitalize on the movements in value of the underlying security without incurring significant transaction costs.

Along with lower transaction costs, derivatives currently held in Investors Group mutual funds provide several other key benefits.

- **To maintain a defensive strategy**

Derivatives are a way for a fund manager to "hedge" against future changes in a security's value.

They function much like an insurance policy: they protect the fund from larger losses should the underlying security go down in value.

- **To reduce exposure to large currency swings**

We've all seen what has happened to some international currencies lately (including the devastation of the Mexican peso and the recent post-war lows of the U.S. dollar against the Japanese Yen). Options to purchase or sell currencies at predetermined exchange rates can decrease a fund's chances of losses due to large currency swings.

Mutual funds have been able to use currency options and futures to limit currency-exchange fluctuations in the value of their non-Canadian securities for many years.

- **To increase foreign content exposure in RSP-eligible funds**

The government allows you to hold up to 20% of your RSP in "foreign property" investments. RSP-eligible mutual funds are also bound by this regulation.

One way to increase a fund's foreign content, without going over the 20% limit, is with derivatives. Because the initial cost of the derivative is minimal, derivatives linked to the value of foreign securities can be acquired by a fund without significantly affecting the fund's foreign content. This provides the fund with a larger exposure to foreign markets than would be the case if the fund purchased the underlying securities directly.

When are derivatives not used?

Canadian regulations *prohibit* the use of derivatives as a leveraging strategy by mutual funds. This is a key distinction between the use of derivatives in Canadian mutual funds, and the way they have been used elsewhere.

In both Orange County and at Barings Bank, huge derivative positions were purchased essentially on "credit", in the expectation that their value would go up. If that had happened, the investments would have returned much, much more than their purchase price. But, that's not what happened. Their value went down. Way down. And, as a result, there wasn't enough money or other assets available to cover the losses.

In Canada, mutual funds can use derivatives as a means to limit losses, as an alternative to making direct investments in different markets or to enhance returns for the fund. But they cannot be used for speculative purposes. Furthermore, they must have the cash or the underlying security to cover any obligations that may arise as a result of using the derivatives to leverage (or borrow) against their portfolios.

For example: if a fund enters into a futures contract to purchase an investment worth $50, the fund must have $50 set aside to cover its obligation. Similarly, if a fund enters into a futures contract which would obligate it to sell one of its holdings at $50, it must own the security in order to satisfy the obligation.

What are the risks?

Whether a derivative is based on a stock, a bond, or a currency, there is always a risk that its value will decline. This is no different than the risk of investing in those securities themselves. Values *will* fluctuate and investments *will* experience some variability.

Canadian regulations stipulate that mutual funds using derivatives can only purchase them from issuers which have a credit rating of "A" or higher. This helps to ensure that the company issuing the derivative that a fund acquires will be able to meet its financial obligations when the contract is settled.

So, what went wrong?

The big failures in the States and elsewhere *did not* happen simply as a result of the use of derivatives. They happened because the decision-makers took huge gambles that their investments would move in one direction. They guessed wrong. The derivatives, because of their low cost, simply allowed them to take even larger positions than if they had bought the underlying securities directly.

The bottom line is that the losses can be blamed primarily on excessive leverage, irresponsible trading, lack of controls and supervision, and greed.

In Canada, exposure to losses by funds using derivatives is minimized by stringent regulations, and is no different than exposure to losses associated with direct investment in the underlying securities or currencies themselves.

At Investors Group, we use derivatives primarily to manage the risk of losses in our funds or as a substitute for direct investment.

Which Investors funds use derivatives?

Most Investors funds currently have the ability to use derivatives as a means to manage their portfolios.

Investors Mortgage Fund and Investors Government Bond Fund currently have the ability to use derivatives in their portfolios. If you are a unitholder of these funds, you would have received notification of this in August 1993.

In May and July of 1994, a similar notice was sent to the unitholders of Investors U.S. Growth Fund Ltd. and Investors Japanese Growth Fund Ltd., respectively, advising of their use of derivatives. In October, 1994, notices were also sent to unitholders of Investors Global Fund Ltd., North American Growth Fund Ltd., and Special Fund Ltd. Most recently, last February, a derivatives notice was sent to the unitholders of Investors Mutual of Canada Ltd., Investors Summa Fund Ltd., and Investors Dividend Fund Ltd.

Investors Asset Allocation Fund and Investors Corporate Bond Fund have been permitted to invest in derivatives since their inception in 1994.

You will find this information in each fund's simplified prospectus.

Therefore, we now wish to take this opportunity to send a notice to the unitholders of those funds, for which a notice has not already been sent, namely: Investors Canadian Equity Fund, Investors Retirement Mutual Fund, Investors Money Market Fund, Investors Pacific International Fund, Investors European Growth Fund, and Investors Global Bond Fund (as required by securities regulations) of their potential to begin using derivatives.

If you are a unitholder in any of these funds, please be advised that any or all of them may begin to invest in derivative securities as soon as 60 days from the date of this notice.

Notice to Unitholders

Investors Canadian Equity Fund
Investors Retirement Mutual Fund
Investors Money Market Fund
Investors Pacific International Fund
Investors European Growth Fund
Investors Global Bond Fund

Excerpt from the simplified prospectus

Use of derivatives

The Funds may invest in derivative securities as permitted by National Policy No. 39 primarily as a means to offset interest rate, currency, and market risk. The Funds may purchase clearing corporation and over-the-counter (OTC) options, including options on futures contracts, as a means to increase or decrease their exposure to different markets and securities within the same market. Where a Fund purchases options for non-hedging purposes, it will set aside cash and securities to cover its exposure to these options as required by National Policy No. 39. The value of these options will vary with movements in the value of the securities upon which the options are written.

The Funds will purchase OTC options only if the issuer of the option has an "A" (or better) credit rating from an approved credit rating agency such as Moody's Investors Service, Inc., or the Standard and Poor's Corporation, or unless the option is issued (or guaranteed by) the Government of Canada or of a province of Canada, the Government of the United States, or an agency of those governments. In addition the maturity date of OTC options and forward contracts purchased by a Fund for non-hedging purposes will be limited to three years from the date of purchase of the option or five years where the Fund has the ability to eliminate its exposure within three years.

The Funds may also issue (i.e. "write") for a premium, clearing corporation and OTC options as a means to realize a greater return. If these options expire unused (i.e. "unexercised"), the Funds will simply keep the premium. If, however, these options are exercised, the Funds would be required to purchase or sell (as the case may be) the securities specified by the option, at the price specified by the option. As a result, a Fund will write options only if the Fund has set aside cash, money market securities, or securities which are a reasonable proxy for the investments underlying the options, which, together with any premium paid in respect of the option, will "cover" the exercise of the options it has written.

The Funds may also utilize futures contracts and forward contracts. Purchases and sales of futures contacts for non-hedging purposes (as permitted by National Policy No.39) may be made only if a Fund has cash and liquid investments, or holdings, which are a reasonable substitute for investments covered by the futures contracts which are at least equal to the market value of those contracts.

The Funds may also make use of derivatives that are based on stock and bond indices like the TSE 35 Index, TSE 100 Index, and ScotiaMcleod Universe Bond Index, as well as indices based on securities traded on foreign stock exchanges such as the Standard & Poor's 500 Index. To the extent that the Funds invest in securities of foreign issuers or in securities denominated in foreign currencies, the Funds may purchase forward currency contracts and currency futures contracts for hedging purposes ("currency hedging contracts") for the purpose of providing protection against exchange rate fluctuations, to the extent considered appropriate by their Managers. Currency hedging contracts in any particular foreign currency shall not exceed one year in duration and shall be limited to the market value from time-to-time of the foreign securities owned by a Fund, the market value of which is quoted in that currency. Adjustments shall be made from time-to-time to the currency hedging contracts owned by a Fund to ensure that these contracts are limited as above, which adjustments shall be made at least weekly and more frequently, if necessary, having regard to market conditions.

The selection of securities to be owned by the Funds is subject to certain limitations as indicated in their Annual Information Form under the heading "Investment Policies and Restrictions." As well, the Funds are subject to the Standard Mutual Fund Investment Restrictions and Practices set forth in National Policy No. 39. A copy of these limitations will be provided by a Fund to any person upon request.

Risk Factors

As mentioned, each Fund may invest in certain derivative securities as a means to hedge against adverse movements in interest rates, currencies exchange rates, and the stock markets. The ability to hedge against movements in interest rates depends on how closely the value of the security covered by the derivative moves in relation to movements of these rates. It is unlikely that the value of a derivative will move in perfect tandem with the movements of the value of a security being hedged. This could result in losses being sustained even where a hedging strategy has been established by the Managers. Therefore, the use of derivatives to hedge against interest rate fluctuations will not completely eliminate fluctuations in the value of the debt securities held by each Fund's portfolio, nor will it prevent losses. It may also preclude the opportunity for gain if the hedged interest rate should fall. In addition, it may not be possible for the Funds to enter into transactions which hedge against generally anticipated changes in interest rates.

The use of derivatives as a substitute for direct market transactions entails risks similar to the actual purchase or sale of the security or currency upon which the derivative is based. The use of derivatives to enhance investment return may also preclude opportunities for gain if the market moves in an unexpected direction or manner. There also exists the risk that it may not be possible for a Fund to readily trade derivatives in the secondary market in order to close out a position prior to maturity. Futures contracts and options present additional risk due to the fact that prices may be distorted if trading of the security which is the subject of the contract or option is interrupted. If this occurs, a Fund would not be able to close out its derivative positions. In other words, there is no assurance that a liquid market will exist to permit a Fund to realize profits, or limit losses, by closing out positions. The ability of a Fund to close out its position in these derivatives may also be affected by daily trading limits imposed by the exchange(s) on which the options and futures contracts are traded. An inability to close out an option, futures contract, or forward contract position could also have an adverse impact on a Fund's ability to use derivatives.

Funds that invest in derivatives are also subject to the risk that a counter-party may be unable to meet its obligations or that a dealer with whom a Fund has an open position in a derivative may become insolvent. The credit risk associated with the holding of a futures contract is minimal because these contacts involve a recognized futures exchange or recognized clearing corporation which guarantees the other side of the transaction.

Hedging against a decline in the value of a foreign currency does not eliminate fluctuations in the prices of portfolio securities, or prevent losses if the prices of these securities decline. It also precludes the opportunity for gain if the value of the foreign currency should rise relative to the Canadian dollar. Moreover, it may not be possible for a Fund to hedge against generally anticipated devaluations of a particular currency, as the Fund may not be able to sell the currency at a price above the devaluation level it anticipates. Further, derivative instruments traded in foreign markets may offer less liquidity and greater credit risks than comparable instruments traded in North American markets. Trading in stock index options and futures contracts may also be interrupted if trading is halted in a substantial number of stocks included in the particular index upon which the derivative instrument is based.

The purpose of this bulletin is to inform you of current developments, not to provide legal or tax advice. Clients should consult their professional advisors for advice based on their specific circumstances.

© Investors Group Inc. 1995
MP 165 03/95

Investors Group Financial Services Inc.
Head Office:
One Canada Centre,
447 Portage Avenue,
Winnipeg, Manitoba
R3C 3B6.

Investors Group